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APR 2 1931

NATION'S BUSINESS



APRIL • 1931



How Can We Keep Business
on an Even Keel?

FOUR TIMELY ARTICLES • Turn first to page 6



MORE THAN 320,000 CIRCULATION



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20% more people bought Davey Tree Surgery Service in 1930 than in the previous year

In 1929 Davey Tree Surgeons served 22,368 clients, and in 1930 they served 26,848—in the far-flung territory from Boston to beyond Kansas City, between Montreal, Toronto and the Gulf.

In view of the general business conditions prevailing in the past year, is it not highly significant that so many more people bought Davey service than in the unusually prosperous year preceding?

It is the business of Davey Tree Surgeons to save trees when they can be saved. They are a unique group of men—more than 1000 of them—carefully selected for fitness, all Davey-trained and supervised and disciplined, educated scientifically in the Davey Institute of Tree Sur-



JOHN DAVEY
1846-1923
Father of Tree Surgery
Reg. U. S. Pat. Office

gery, the only school of its kind in the world.

The Davey standard of professional service requires that no client's money shall be wasted on trees too far gone to save.

There are many border-line cases where there is a reasonable question about the chances of saving certain trees. Davey standards require that only first-aid treatment be given in an effort to build up the vitality in such cases, before a larger investment is made.

There are many starving trees encountered, and Davey standards require that such trees be properly fed and their vigor re-established before investing more of the client's money.

You can trust Davey Tree

Surgeons. They follow definite rules of professional procedure and are held to it by regular supervision and strict organization discipline.

Branch offices maintained in the larger cities and permanent representatives in many other places. Write or wire Main Office at Kent, Ohio, or the nearest branch office, for a free examination of your priceless trees without obligation on your part.

Tune in Davey Tree Surgery Hour
Every Sunday afternoon, 5 to 6 Eastern time; 4 to 5 Central time; over the Red Network National Broadcasting Company. Featuring the old-time songs that everyone knows and loves. Listen to Chandler Goldthwaite on the Skinner Residence Organ.

THE DAVEY TREE EXPERT CO., Inc.
531 City Bank Bldg., Kent, Ohio
MARTIN L. DAVEY, President and General Manager

Branch offices with telephone connections: Portland, Me., Boston, Worcester, Springfield, Pittsfield, Providence, Hartford, Torrington, Westport, Stamford, New York City, White Plains, Patchogue, L. I., Hempstead, L. I., Albany, Syracuse, Rochester, Buffalo, Toronto, Montreal, Orange, N. J., Ridgewood, N. J., Madison, N. J., Philadelphia, Baltimore, Washington, Richmond, Pittsburgh, Cleveland, Toledo, Columbus, Dayton, Cincinnati, Indianapolis, Louisville, Lexington, Paducah, Detroit, Grand Rapids, Chicago, Milwaukee, Oconomowoc, Wis., Minneapolis, Des Moines, St. Louis, Kansas City, Mo., Charlotte, N. C., Atlanta, Birmingham, New Orleans, Tulsa.

There are no Davey Tree Surgeons except those in the employ of The Davey Tree Expert Company

DAVEY TREE SURGEONS

NATION'S BUSINESS for April



VOLUME 19

NUMBER 4

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MERLE THORPE, Editor and Publisher

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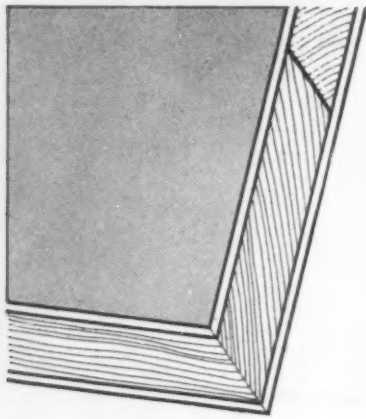
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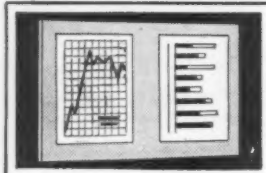
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Has Your Industry Found This All-Purpose BOARD that WILL NOT WARP



FOR ADVERTISING
DISPLAY WORK



MOUNTING SALES
CHARTS AND MAPS



FOR BOXING
MERCHANDISE

and— WALDORF SPECIAL

At a lower cost—an ideal board for lighter display work, is Waldorf Special Board. The special surface can be washed for re-use.

Compo-Board is its name. It is 38 years old. It is the finest obtainable. Construction is ingenious. The core is of genuine Redwood sections—so arranged that they cannot warp. The surface is a tough, smooth, composition—cemented to the core with a compound that makes Compo-Board proof against moisture, heat, cold, vermin—and a reasonable amount of fire. Compo-Board will not bend—will not buckle—will not warp.

Industry's Need

Industry's uses for Compo-Board are so wide, and so varied that it would be impossible to name them all. Virtually every plant and office will find that certain jobs are easier, and more economical, when done with Compo-Board. Use it for display work. Mount your sales charts and maps on Compo-Board. Build a shipping counter. For boxing and crating. The uses are literally countless.

Increased Efficiency

Never has Industry paid more thought to cutting corners—to doing things better at a lower final cost. Compo-Board is sitting in on many methods that are increasing operation and production efficiency.

Users

Some of the large industries that in recent years have found special application for Compo-Board are: Eastman Kodak Co., Hart Schaffner & Marx Co., Armstrong Cork Co., National Map Co., Grand Rapids Store Equipment Co., The Ruberoid Co., Publix Theatres, and the U. S. Government.

A Brief

To give you an accurate idea of the entirely different, and scientific construction of Compo-Board, we have prepared a sample in a miniature brief case. Fill out and mail the Memo now. You may find this sample the starting point to new efficiencies in your plant.



Through the EDITOR'S SPECS

"So the people shouted. . . and it came to pass. . . that the wall fell down flat, so that the people went up into the city. . ."
JOSHUA 6:20

JUST at present the business world is shouting "stabilization," fondly expecting that the magic of our new-found sesquipedalian word will bring down the city's wall, and we all will enter into the promised land where there will never again be a depression, but only the joyful monotony of profits.

BUT if you back into a corner any enthusiastic protagonist of stabilization (or its twin brother "regularization") and ask him what he means, he may tell you he is talking of making employment regular throughout the year, or of guaranteeing work for a definite part of the year. Or he may have in mind the stabilization of credit, or the stabilization of production, or a stabilization which will prevent any boom times or any valleys of depression—just one long, even, satisfactory business era in which every man makes his living, no more nor no less, this year, next year and the next.

There are almost as many kinds of stabilization as there are men talking about it.

A boulder in a farmer's pasture is as stable as anything we can think of, but it produces nothing else but moss and not much of that.

Although we have tried in this number of NATION'S BUSINESS to keep away from the word "stabilization" we present half a dozen contributions to ways of steadying business. Herbert Corey's article is in point. He describes the Procter and Gamble plan of guaranteeing 48 weeks of work to employees. One such experiment is worth a hundred theories. Furthermore we are glad to present it because it is the American way, driving straight ahead to improve

Compo-Board

WILL NOT WARP

Memo

THE COMPO-BOARD COMPANY,
4432 Lyndale Avenue, N., Minneapolis, Minn.
Send me your "Brief" on Compo-Board.....
Also, a sample of Waldorf Special Board.....

Name.....Address.....
City.....State.....

When writing to THE COMPO-BOARD COMPANY please mention Nation's Business

A WARNING to men who would like to be independent in the next five years

YOU CAN tell a \$30 a week man how to make \$40 a week.

You can tell a \$50 a week man how to make \$75 a week.

But you can't tell a \$5,000 man how to make \$10,000. He's got to know.

Between \$5,000 and \$10,000 a year is where most men of talent stop.

Health, youth, good appearance, brains will carry a man far in business.

But you cannot draw forever on that bank account unless you put something else in. Somewhere between \$5,000 and \$10,000 a year you will stop dead.

Those who go on add something to their equipment at the same time they are drawing on it.

Profound changes are taking place in business—this year, this month, *now*. The man who sees in these changes his opportunity for independence and power is the man who will make his fortune in the next five years.

BUT this opportunity, like all great opportunities, is fraught with danger. Business today is new and complex. The old rules will no longer work.

A whole new set of problems is presented by production.

Foreign markets have become a vital issue. An entirely new conception of selling is replacing the old hit-or-miss way.

The man who would take advantage of opportunity today dare not grope. His experience is a dangerous

guide. He has no time to figure out all the possibilities and pitfalls. He lacks contact with the big, constructive minds of business.

How can he seize the *opportunity* and escape the *dangers*?

FOR two years the Alexander Hamilton Institute has been laying the foundation of a new Course and Service for the leaders of tomorrow.

The ablest business minds—the men

**Men who are
satisfied with
\$5,000
a year
will not be interested
in this Announcement**

who have had most to do in shaping present-day tendencies—have contributed greatly. Read the names of just a few of them:

ALFRED P. SLOAN, JR., *President*, General Motors Corporation.

WILLIAM F. MERRILL, *President*, Remington Rand, Inc.

HON. WILL H. HAYS, *President*, Motion Picture Producers and Distributors of America, Inc.; formerly U. S. Postmaster General.

BRUCE BARTON, *Chairman of the Board*, Batten, Barton, Durstine & Osborn, Inc., Advertising Agents.

FREDERICK W. PICKARD, *Vice-President*, E. I. du Pont de Nemours & Company, Inc.

DR. JULIUS KLEIN, *The Assistant Secretary*, U. S. Department of Commerce.

FREDERICK H. ECKER, *President*, Metropolitan Life Insurance Company.

HUBERT T. PARSON, *President*, F. W. Woolworth Company.

DAVID SARNOFF, *President*, Radio Corporation of America.

COLBY M. CHESTER, JR., *President*, General Foods Corporation.

Men who are satisfied with departmental jobs and small earnings will not be interested in this type of training. It is offered to the kind of men who want to become officers of their companies or go into business for themselves.

Representing the condensed experience of the best business brains in the country, it offers real help to executives in meeting the difficult business conditions of today.

A BOOKLET has been prepared which tells about this new Course and Service. Its title is "What an Executive Should Know." It should be read by every man who faces the responsibility of shaping his own future. It is free.

We will send you this booklet if you will simply give us your name and address on the coupon below. But we do not urge you to send for it. If you are the type of man for whom the new Course and Service has been constructed, if you are determined to take advantage of the

rich opportunities of the next five years, you will send for it without urging.

To the Alexander Hamilton Institute, 445 Astor Place, New York City. (In Canada, address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto.)

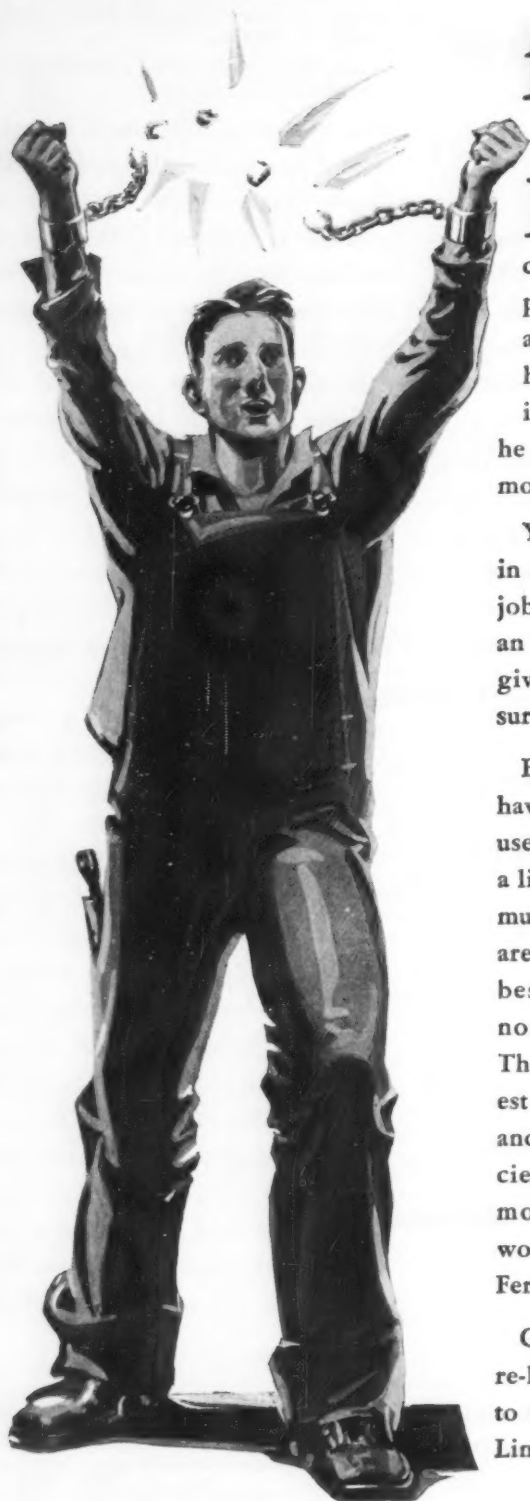
Send me "What an Executive Should Know," which I may keep without charge.

NAME.....

BUSINESS ADDRESS.....

BUSINESS POSITION.....

He has broken his fetters.



MANY a brake-service man is fettered. His customers demand a low price. He must get so much an hour for his labor to live; he can't cut that charge. So, in order to keep down costs, he uses a lining that saves a little money.

Yet the lining is all-important in determining the value of the job. The service man who uses an inferior lining is doomed to give inefficient service just as surely as though he were fettered.

Ferodo Service Station men have broken these bonds. They use Ferodo Linings—which cost a little more per foot but last so much longer that in the end they are much the most economical, besides being safer, with less noise and fewer adjustments. These linings are used by the largest operators of fleets of trucks and busses, to whom brake efficiency and economy are paramount considerations; they wouldn't pay more for Ferodo if Ferodo weren't worth it.

Get the most out of the brake re-lining labor you pay for—go to the station that uses Ferodo Linings.

FERODO AND ASBESTOS INCORPORATED

Manufacturers of Ferodo Bonded Asbestos Brake Lining in rolls, Ferodo Pat. Die-Pressed Brake Segments, Ferodo M-R Lining and Ferodo M-R Brake Blocks.

Factory and General Offices: New Brunswick, New Jersey



When writing to FERODO AND ASBESTOS INCORPORATED please mention Nation's Business

conditions of your own individual business without waiting for the Government to show you how to do it, or to do it for you.

We talk, too, in this number of stabilizing distribution. Paul Cherington, of the J. Walter Thompson Company, doesn't call it such, but after all that is what it means. He points out the folly of trying to find 100 per cent distribution in this city or that. He brings us back to solid ground in reminding us that the desirable thing is to get profitable distribution through profitable outlets. We liked his article particularly because he gives chapter and verse to prove his case.

JOHN D. ROCKEFELLER was a great stabilizer. Half a century ago the most demoralized industry in the United States was oil. Along came Rockefeller and put the industry on a keel more nearly even than it had ever been. For "stabilizing" no man has been more roundly cursed by the American public. Time gives us a better perspective. That idea of Rockefeller's, which was new, is now pretty much in the consciousness of a dozen industries. One of his intimates, Charles Higgins, is audacious enough to suggest that perhaps we need more "stabilizers" like Mr. Rockefeller.

FROM an unusual angle a business man speaks right out in meeting. Alvan T. Simonds, of the Simonds Saw and Steel Company, thinks that one of the unstabilizers of business is a business man's cowardice. He says, if we weren't afraid to look into a black sky we could see a storm coming much more quickly than we now do, and could prepare for it. You'll enjoy his article. At least Mr. Simonds is not a coward.

NONE of these contributions to the very big question of stabilization which we discuss with you this month contemplates a business stabilization like a boulder in the pasture. That wouldn't be good for the boys and girls of the coming generation. No father, I imagine, would choose a static, regularized, cut-and-dried business activity for his son, as against the ups and downs which furnish opportunity for those to rise from the bottom. And stamina and wisdom are likewise needed when things are booming along merrily. Advancement comes through adversity and through prosperity—to the right kind of man. Economics is closely akin to

biology. Perhaps what we all wish is a stabilization which would not be too stable, ups and downs which would not be extremely uppish or extremely downish.

A STABILIZATION which reduces the number of young adventurers and new enterprises would be fatal to our whole American spirit.

To round out the picture, don't fail to read Ralph Bradford's "Small Industry Still Has a Place." There you have a picture of the new adventures and the new enterprises which are born every year. Some pass out quickly, others become national institutions.

Too many of our plans, and particularly those of the milk-fed social worker and parlor economist, deal only with "Big Business." Mr. Bradford's article will readjust the sights of many of us, and thus our perspectives.

BUSINESS is ever alert to extend the boundaries of trade, to supply most easily the demands of every one of us. It has gone further than that. It has learned to tell us of needs which we did not know existed and of conveniences which we did not know we wanted. Business has come a long way since trade was conducted in a market place on a hillside just out of the city where the tented shops of the drapers and the goldsmiths were surrounded by a stockade with a guarded entrance.

Constantly it has added new practices to meet changing conditions or increase convenience to the customer. The art and science of the drifter, the horse-and-buggy salesman, the manufacturer who peddled his own wares, the department store, the chain store, the quality shop, the store on wheels, the mail-order house—these are a few of the ever-changing developments in distribution.

Edgar F. Wittmack, our cover artist this month, offers a glimpse of the romance of this great distribution system—a system which makes the cross-roads store and the most isolated home an outpost of business.

To the imaginative business reader, the cover this month will bring a panorama of the vast and intricate, romantic and adventurous ramifications of the thing we call trade.

A FRIEND from the mid-west, who had not been to New York City since the boom period, writes his impressions:

DEAR MR. THORPE: I am in New

(Continued on page 156)



Presenting the story of "selective irradiation"

~ a new development in foods

This scientific discovery was made in the Basic Science Research Laboratory of the University of Cincinnati. Its utilization by the public in food and other products will be made possible through an alliance between General Foods Corporation and the University of Cincinnati, to be known as General Development Laboratories, Inc.

Applications of the new discovery indicate far-reaching effects in the food industry. It can be used to add Vitamin D in definitely controllable quantities to many food and pharmaceutical products. Organisms causing fermentation, yeast moulds and similar foes to preservation of foods yield to the new light treatment methods.

The detailed story of "selective irradiation"—its discovery, its application, its possibilities—is told in a booklet just published, "New Discoveries in Light Rays." We believe this booklet will be of interest not only to the food industry, but also to the public generally. It will be sent to any interested person free upon request.

Write to General Foods Corporation

DEPARTMENT 2-S

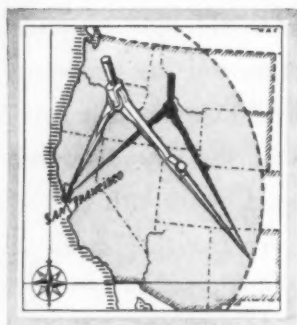
250 PARK AVENUE NEW YORK CITY



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If you are looking ahead, then look at San Francisco

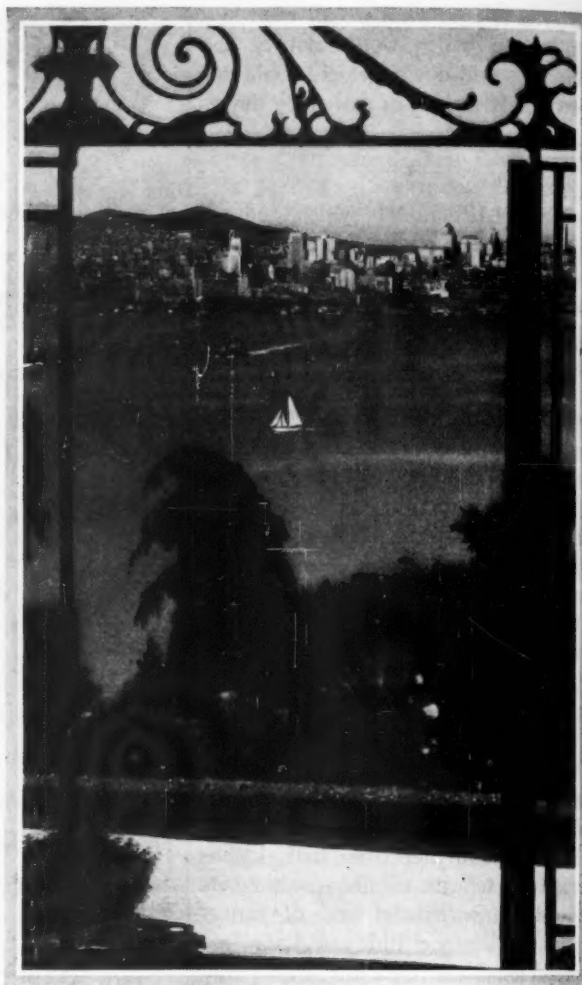


IF YOU are looking forward, through the next ten years, if you agree with America's industrial leaders that now is a time to prepare for a new business era, San Francisco deserves your closest study. Here you will find, in generous measure, the elements of success.

Center of the region of this country's greatest development in the last ten years, San Francisco offers alert men even more for the years that lie ahead. For beside the tremendous steady growth of the western states this City serves most quickly and most economically, there is a giant commerce growing with the pan-Pacific peoples; peoples who know San Fran-

cisco as the traditional gateway to America . . . Strategic location, to serve both domestic and foreign markets is one instrument that San Francisco offers for your use. Four transcontinental railroads and the vessels of one hundred and twenty steamship lines stand ready to transport your goods . . . Here are low costs and high living standards; a climate so even that golf is played throughout the year. High savings deposits and low illiteracy tell something of labor's condition: it is plentiful and turnover is the lowest of any large city.

Yosemite . . . one of the fascinating summer places close to San Francisco.



Here are cheap power and oil and natural gas at tidewater. And here you will find headquarters for the leading business interests of the West . . . headquarters for the leading railroads, steamship lines, manufacturers and financial institutions.

There is no better indication of the things this city offers than the fact that more than 1500 Eastern corporations, interested in the whole Pacific Coast, have located branches here to serve it.

If you feel as we do, that this is a time of opportunity, a chance to rise upon a new high tide, come this Summer; study San Francisco and play in the great California vacationland it centers. Use the coupon to get the two illustrated books to help you plan your trip.

SAN FRANCISCO
IN CALIFORNIA—"WHERE LIFE IS BETTER"

CALIFORNIANS INC., Dept. 1304, 708 Market Street, San Francisco. Please send me the two free illustrated books.

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NATION'S BUSINESS



A MAGAZINE FOR BUSINESS MEN



Signs of Spring

THERE'S something new on the American front—and all because Spring is preparing for her regular seasonal opening. Poets are oiling their typewriters. Young men's fancy more or less "lightly turns to thoughts of love." Sap is creeping upward in the maples. Baseball players are rounding into form at southern training camps. News reels and newspaper sporting pages feature veterans of earlier campaigns and the hopeful rookies up for their first season in the "majors."

Geese are heading northward. Flower vendors appear on downtown corners. Income-tax day passes with local storms. Householders look into the price of paint. Back yards are refurbished. Trash is burned in neighborhood bonfires. Building takes a new lease on life. The sound of the saw and the hammer is heard throughout the land. A whole nation responds to the primitive urge to freshen up, to put a new face on old matters.

Commuters and suburbanites tell tall tales about the first robin. Sun and earth perform their age-old miracle, and the crocus is released from the imprisoning soil. Fewer cough-drop ads are seen as winter retreats. Roadster models and touring cars are placed up stage in automobile copy. The open road begins to call. Clothing merchants advocate a new deal for the winter wardrobe. Ulsters give way to topcoats. Moth balls are in demand. City dwellers browse about in seed stores.

Spring is in the air.

The spirit of man, like the sap in the maples, goes up and up as the release from winter approaches. No soul is so meager that it cannot respond to the vernal change. The man who refuses to feel the lilt and the lift of it is marked down as a sad dog.

And as the stimulus of the new season penetrates men's hearts it finds expression in a fresh confidence—in an enlivening urge that gives color and warmth to all their affairs. The bright tulips that flood the florists' windows have their counterparts in the world of business.

For it is clear from the reports of individual industries that seasonally greater activities

are a reasonable expectancy. Industry, generally, has attained an adjustment of stocks, production, and marketing in which even a moderate expansion in demand will have immediate results. That's the significant thing—the whole business mechanism is now so sensitively organized that a slight fillip of confidence registered in one industry will set wheels a-turning in another hundreds of miles distant. Effects may be out of all proportion to their causes. It is time to take thought of the Biblical admonition, "Behold, how great a matter a little fire kindleth!" Little by little, we make gains, until eventually, we shall see prosperity at the full again.

As further evidence of progress an improving trend from the low point of December is becoming apparent—businesslike way of showing that we are emerging from the winter of our discontent. And there are signs to indicate that the volume of savings in their various forms has been large and is still mounting.

But, perhaps, it is the great "intangibles" that are most decisive in appraising the state of the nation. No one can miss the significance of the expressions of energy and confidence which are more the rule than the exception.

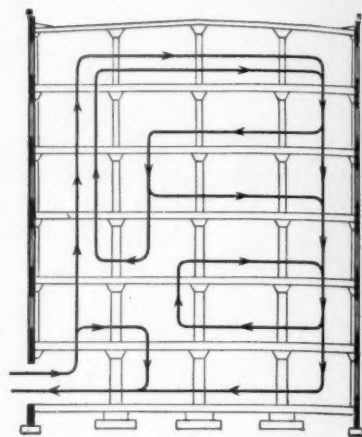
It would be easy to sermonize on the certainty of nature, and to complain of the irregularity of human life, yet the course of nature is not without violent departures from the normal. Sunshine and rain are nowhere evenly distributed. No summer is all heat. No winter is all snow. In a very real sense variety is the spice of nature, as it is of our own experience. No one would want to see life regulated to a drab monotony of existence. Stimulus without change is not possible.

And so with business. The resourceful manager gets a welcome thrill in pitting his skill and his energy against the hazards of the game. A change of seasons gives him fresh opportunity for the play of his leadership. He has learned that where there is a new season there is new business.

Mere Thorne



Exposing a "White Elephant" plant like that at the left, in which modern straight-line production methods are impossible. Even operating at full capacity such a plant with unavoidable back-tracking, is seriously handicapped . . . when running at fractional capacity it cannot hope to turn a profit.



TOO MUCH PLANT? Not Enough Earning Power?

Plants like the above, or those with many scattered units, burdened with obsolete production areas, lack earning power when forced to operate at fractional capacity and to overcome relentless competition. If you are face to face with such a profitless situation Austin can probably show you how to cut your plant investment from *one-fourth* to *one-third*, and substantially reduce production costs.

. . . working with Austin Engineers one Eastern manufacturer reduced his plant investment 40%.

. . . for another manufacturer Austin helped bring about a 30% reduction in production costs.

. . . Austin helped another manufacturer make savings in freight charges equal each year to one-third the cost of the plant.

Revolutionary developments in plant design and operation have been introduced by Austin Engineers during the past 90 days. While no miracle makers, they have been unusually progressive in pointing the way to profitable action—the results of which, applied to your problem might materially increase your profits during 1931 and for some years to come.

Wire, phone or use the memo below for prompt action. No obligation, of course.

THE AUSTIN COMPANY

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NATION'S BUSINESS

Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

APRIL, 1931

VOL. XIX No. 4

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

Some Factors in Wages and Prices



"I FEAR," said a distinguished banker, "that if prices do not soon turn upward, we shall see increasing reductions in wages."

His fears find echo in the minds of many other business men. They hear business leaders talk of the difficulty or even of the impossibility of maintaining the present "standard of living." They hear others talk of a flexible wage which should go up and down with prices.

Against these fears certain factors may be set:

Business leaders as a whole have felt that much of our American prosperity has been built on a policy of high wages and high spending power. Such a state of mind is not to be overturned in a minute.

Prices underwent a most radical downturn in 1920 and 1921, yet wages did not go down with them and recovered even more promptly.

The 18 months of depression and falling prices through which we have been passing (and through which we hope we have passed) have produced no such "panic," no business hysteria, no tremendous dislocation, as we felt at intervals in the latter part of the 19th and the earlier years of this century. And the lack of hysteria helps towards a calmer consideration of wages, to a clearer vision of future consequences.

Let Government Pay and Pay



THE veterans' loan bill, better known as the bonus bill, has been passed by Congress, vetoed by the president and repassed by Congress.

As to what the drain on the Treasury will be experts differ. Perhaps it will be \$500,000,000, even \$750,000,000. Few of us are disturbed that the United States will be seriously hurt by that. The rapidity with which this country has reduced its debt is an indication of how

readily it can meet financial emergencies. There are even business men who take the view that the effect on business may be helpful rather than hurtful.

No, it is not the immediate situation that is alarming. It is the threat for the future. It is the prospect that whenever an emergency, real or fancied, arises, a group of citizens may go to the Congress and call for help. No one visions what future drains will be, what debts our children and their children may have to pay.

But the kindred delusions that the funds to be raised by taxation are inexhaustible and that the rich pay the taxes still exist.

Farm Board purchases of crops, government doles instead of private charity for drought sufferers, treasury aid for ex-soldiers—all of a piece!

The answer to what we have said here of veterans' legislation will be that business is heartless, that it cares only for the dollar. But business as represented by the United States Chamber of Commerce has steadfastly worked "in favor of the Government doing all in its power, and at whatever legitimate expense to care for the disabled soldiers of the World War."

Is Business Piracy?



THE Rev. John Haynes Holmes, pastor of the Community Church in New York is displeased with business. Here is a paragraph from a recent utterance:

In the business world practices are still commonplace that are ethically the same as those of the old robbers and pirates. Business has become the exploitation of the needs of the community for gain.

The last sentence might be accepted unless a sinister meaning be put upon the word "exploit." Business certainly does make a profit by supplying the needs of the community.

But isn't Dr. Holmes a little sweeping in his generalization? He may have had unhappy experiences with business (specifically he was acquiring property for a

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new church) but even if those experiences were with pirates is he justified in saying that the ethics of all business are the ethics of robbers?

Often in our life we've heard men denounce all clergymen as hypocrites and all lawyers as liars but we've never believed such statements.

Efficiency in Drought Relief



THIS magazine is firm in the faith that no task should be done by government that can be done as well by private agencies. That principle was the basis of the battle between the Congress and the President over the relief of the sufferers from drought. NATION'S BUSINESS was glad when the task was left with the Red Cross.

But this question is being asked. Will the Red Cross justify faith in its stewardship?

Here are some facts as of March 1.

Relief has been extended to more than 1,000,000 persons.

Relief has been extended in 826 counties of 21 states.

In 15 drought states the Red Cross has distributed 320,000 assortments of seeds for spring gardens and with each has gone a statement of the best use that could be made of them.

In Arkansas, in every county, relief has been extended and the daily record for rations has averaged in one month 280 tons in that state alone.

Here then are a few items from a record of service without government, with a maximum of speed and a minimum of workers. Could government have equalled this record?

The Economics of Einstein



THE mathematics of Dr. Albert Einstein's relativity we have no hope of understanding, but his economics seem nearer our grasp. The eminent novelist-socialist, Upton Sinclair, hurled a questionnaire at the bushy head of Dr. Einstein. Mr. Sinclair wanted to know what the scientist thought of the spectacle of misery and starvation in the United States and asserted that "many millions are in need of food and other necessities" while "we run our factories at only a small percentage of their capacity."

Mr. Sinclair's question may be a little out of gear with facts but Dr. Einstein's answer was temperate. He saw in present conditions "a positive proof that the economic organization, so far as one can speak of such a thing today, does not satisfy needs." Then the exponent of relativity added:

But the establishing of this fact is not to be used as an indictment, but as a motive to seek to regulate economic life in such fashion that the existence of human beings no longer shall be threatened by crises.

The ups and downs of the much discussed business cycle are not old in the history of humanity. They are in part the result of the complexity of industry today; they are intensified because of the economic interdependence of nations.

Industry and commerce are the result of evolution

and are still in the process of evolution. As our business understanding grows keener we shall learn better methods, but we shall not cure business evils by more laws and by giving more power to the state.

The Economics of Can Openers



THE can opener as a social factor has long been a familiar topic of discussion. The decline of the American family and Heaven only knows how many other ills have been laid to the substitution of the can opener for the cookstove. Supporters of the can opener have demonstrated in reply that the housewife has more time to spend on higher things than cooking.

It remained for C. E. Hume, former president of the National Canners Association to point out the economic aspects of the can opener. Said he:

The canning industry needs nothing so much as a good can opener. Little direct attention has been paid to the fact that if a housewife's task of opening a can were changed from a difficult one to a simple, pleasant one, more canned goods would be consumed.

How potent in increasing sales of cameras was that Kodak slogan, "You press the button and we do the rest." It taught the world that photography need not be a matter of tripods and black cloths and plates.

Any effort the canners may make to simplify can opening has our blessing. And a little special effort might be put on sardine cans that open with so-called "keys."

Moreover an eminent chemist once told us that the average eggbeater was one of the lowest forms of mechanical achievement, but that all his protests had been met with the statement that the public didn't want a good eggbeater, it wanted a cheap one readily replaceable.

New Things in Rubber



WE ARE, says the complacent economist, suffering from overproduction. Overproduction is the cause of all our ills. We have too much of this, too much of that and too much of the other thing. Rubber is one of the things about which overproduction has been preached.

The fact is that the world probably hasn't enough rubber to meet the uses to which it might well be put. In a recent issue of the *Industrial Bulletin* of Arthur D. Little, Inc. a chapter is devoted to uses of rubber, actual and potential.

Railroads are trying rubber for many things. "In the Netherlands experiments with rubber pads under the rails have been tried. Rather recently a new railroad car wheel has been announced in which rubber formed a continuous and integral part." There are but two of the novel uses to which the railroads may put rubber.

Acids are being shipped in steel tank cars lined with soft rubber; metal pipe is lined with corrosion-resisting rubber, an acid-resisting paint has been devised. In printing, rubber is being tried for press rollers and is suggested as an ingredient for printing inks.

The list could be extended almost indefinitely. Change rules business; the X-forces, those things that move

upon business from outside wrecking one and upholding another are limitless. "Watchful waiting" is not enough for modern business. The industry that succeeds is the one which both watches and acts.

Which Was the First Chamber?



MUCH has been written about early chambers of commerce and there has been controversy as to which was the first chamber. French chambers go back to that of Marseilles founded in 1599, but they are semi-governmental. Great Britain had one in Jersey in 1768, the year the New York State Chamber was formed.

Here's an earlier instance of organization, though governmental, to develop trade. Sir Sidney Lee reports it in one of his essays on the influence of Spain in Elizabethan England:

Within ten years of Columbus's landing on a West Indian island a West India House of Trade (Casa de Contratación) was established at Seville for the regulation of commerce with the new country; for the issue of passports to settlers; for the orderly accumulation and co-ordination of new geographical knowledge; for the construction of charts and maps; for the education of seamen in the science of ocean travel; for study and research in every department of knowledge which was calculated to improve the art of navigation. The conviction that scientific methods were the key to the earthly paradise of the West quickly conquered the Spanish mind.

We have spoken of the New York State Chamber.

Recently the Bank of New York and Trust Company in an advertisement cited some of those who took stock when it was founded in 1791.

One of them was the Chamber of Commerce. Charles T. Gwynne, its executive vice president, writes us:

"We have held stock in the Bank of New York and Trust Company since 1791 and have continued to hold it to the present day."

There's an association of company and stockholder that might well be a record.

On What Days Do We Buy?



DO MORE men buy stockings on Thursday and more women buy cosmetics on Tuesday and if so why?

This is a point on which retailers are eager for more information and the National Retail Dry Goods Association is trying to get it for them. They know, but very indefinitely, that there is a time factor in shopping.

One store knows for example that on Wednesday cosmetics can be sold with a minimum of advertising while to sell them on Thursday requires the push of extra publicity.

That's back of the plan, the need to know more of the return on the advertising dollar. If certain things almost sell themselves on Tuesday then perhaps it would be



CARLISLE IN THE CINCINNATI ENQUIRER

The Taxpayer's Goat

well to save the special bargains on those things to advertise on Wednesday for sale on Thursday.

There's a geographic factor too. It may be that the best shopping days in San Francisco are not the best in Boston.

One industry—advertising—ought to be grateful for such work.

The more the advertiser wants to know about the results of advertising the more he wants proof that his advertising appropriation is something more than a luxury, the better for advertisers, advertising agents and publications.

Self-Respect Restored



IMAGINE our surprise and chagrin when we discovered that robots slouched on the job at times! Their feet slip even as does the "understanding" of poor mortals.

The crowning shock of all is the revelation that "boss robots" are necessary to administer corrective measures to their erring mechanical subordinates.

Of course these are not applied to the seat of the robot's tin pants.

The General Electric Company in a statement admitted that the world of robots is subject to error not unlike that of the human world and checks and counter

checks are necessary to keep the mechanical hosts at their appointed tasks.

There is the example of an automatic machine wrapping waxed paper around packages of cereal in a Pittsburgh establishment. The robot which controlled the operation evidently did not have his mind on his task for the paper began to slip until the trade mark appeared on the wrong side of the package. A robot's fancy it appears may wander at any time of the year.

However the "boss robot" was on the job. He functions with the aid of a sleepless electric eye. Small black spots in agreement with the design and spaced uniformly are printed on the wax paper. A concentrated beam of light shines through the paper as it feeds into the rollers. The black spots cast shadows on sensitive photo-electric tubes which transmit electrical impulses that periodically correct any failures of alignment which develop. Thus the speed and accuracy of the robot are corrected and he continues to wrap cartons at the rate of seventy-two per minute.

We are very glad to know all this for it removes a growing sense of inferiority which the exaltation of robot infallibility had started. We can now face these animated tin cans at least with a feeling of equality.

Tell the Public About Costs



A NEW YORK department-store executive, quoted in the *New York Times*, says that department stores would win public confidence if they would acquaint customers with store costs. He believes also that such a policy would be welcomed by the buying public. His theory is that since the consumer has to pay for running the store, it would be wise to inform him what it costs.

Perhaps it is still true that the general public thinks of mark-up as pure profit. At any rate, there is probably a hazy notion as to the difference between gross profit and net profit. The possibilities of the proposed revelation are stimulating.

Suppose two great rival department stores printed on opposite pages of the same *New York Times* an analysis of where the retail dollar goes. One might show a net profit of seven cents on the dollar, while the rival showed but one cent. Would the public be impressed by the fact that one store showed small profits, or would it admire the ability of the other to net seven cents gain out of the dollar sale?

If the public can be made to see that distribution costs are high because the consumers will it so, a useful service to business would be performed. It might have a salutary effect on politicians, too, if they could be made to see that the public, and not the retailer, is responsible for setting prices at retail.

Governmental Bookkeeping



F E W industries entirely escape competition from governments, federal, state or local. Cement has been faced with direct competition from state-owned plants in Michigan and in South Dakota.

In the former the competition is waning. Last year

the state treasurer reported that on July 1, 1930, the plant had lost \$740,000 and this in spite of convict labor. There have been spasmodic efforts to get rid of it.

In South Dakota there is more controversy. There, by popular vote, the State constitution was amended to provide for a plant, the inevitable commission was provided for and more than \$2,000,000 in bonds were issued, for a later generation to pay. The commission says that from January 1, 1925, to June 30, 1930, the plant has earned \$668,684.40. Accountants in the cement industry figure that if the state commission kept books as the privately owned cement companies do there would be a loss of \$411,977.89, a little difference of more than a million.

The state, it seems from the cement industry's figures, doesn't include the depreciation which the United States Treasury requires from the cement industry and that alone is \$120,000 in the 5½ years. Then there is the interest on bonds and taxes which a privately owned company would pay. State bookkeeping is often an admirable aid for the disciples of state ownership.

Making Business Help Itself



"ONE of the hardest tasks of the trade association executive," said one of the clan who was visiting the editors of *NATION'S BUSINESS*, "is to get your members to realize the things that the association is prepared to do for them.

"Not long ago, I went to a distant city to help one of the members of our association who was in a tangle. I could be, and was, I think, of service and he was grateful. Yet, all that I told him and all that I was able to do for him was contained in our bulletins.

"Time and again, I am told by business men, 'But I haven't time to read the material you send me.' Yet the same man will find time to sit with me and listen as I explain the things the organization is doing. And after I've visited him he'll put the things I tell him at work. If he spent half the time in reading the material we give to him that he spent in talking with me, I'm sure he would have got more."

Any one who knows and talks with trade association workers knows how common that feeling is—the feeling that much of their efforts to aid industries goes to waste because individual members do not avail themselves of the material. The trade association convention helps.

Men acquire by talking with fellow members what they have failed to acquire by reading printed messages from the officers.

Has any trade association ever tried sending out a missionary to its members who should arrange to tell them what was being done in the home office and how that work could be applied? What would be the effect of such a visitor from association headquarters—a visitor who should have nothing to ask, who should never raise the subjects of membership obligations, of dues of committee service, but who should come only to show the member how to put profitably to work the ideas of the association, how in short to get back his membership dollar?

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Workmen leaving the Ivorydale plant know their jobs will be waiting when they return

Solving the Unemployment Riddle

By HERBERT COREY

★ **THE** question of stabilizing business is one of many complexities. This company has evolved a plan for keeping its workers employed. But that is no sign other businesses can or should adopt the same plan. This article reveals one facet of a big problem

"WE should have thought of it long before," said Colonel Procter. "We certainly must have been stupid. . . ."

He meant it. This is the one humorous feature in this narrative. Perhaps his statement was but the reflection of a passing thought, but for the moment he meant every word of it. Presently what he called "stupidity" ceased to be evident as two facts became apparent:

The 48 weeks of work guarantee which the Procter and Gamble Company has made for seven years to its 10,000 employees has demanded never slackening effort by every department.

"We must hold our hands steady to the plow in face of possible difficulties," Colonel Procter said.



Col. William C. Procter

The second fact is that the plan has paid.

The thought and effort made necessary by the company's obligation to the plan has multiplied its earnings by two and one-half in seven years.

William Cooper Procter believes that most industries are capable of much greater regularity of operation with consequent regularity of employment. He does not say what other industries can add cubits to their stature by taking thought. Nor, for that matter, how many cubits. One manufacturer might be able to guarantee his men 40 weeks of work each year. His neighbor might not be able to guarantee more than 20. He believes most industries are not operating on this basis of guaranteed regularity because their managements have made no sustained and determined effort.

Stabilizing employment

"THE will to stabilize industry is half the battle.

"The ability to stabilize industry will come through study."

William Cooper Procter worked out the plan by which the Procter and

Gamble Company assures its employees 48 weeks of work each year. In fact, they have averaged more than 49 weeks. After an experimental period of 18 months the plan has worked for seven years. It has passed every test. The last six months of 1930 were the best six months the Procter and Gamble Company ever had. It might not be accurate to say that this was due to the plan.

But the only known explanation of that tremendous prosperity in the face of constantly declining business elsewhere is the constant pressure of obligations to the plan.

Not expensive plan

STABILIZED employment is a great need of American industry. But no manufacturer will give that assurance unless he is reasonably certain that it will not cost him money. Business is business. If a kindly plan does not pay its way it must be abandoned.

"The 48 weeks of work plan has not cost the Procter and Gamble Company one penny," said Colonel Procter.

That statement must be amplified and explained. Three million dollars was invested when it was put in operation, but that is chargeable against the plant. In the black days of 1929-30, the Procter and Gamble Company paid out \$200,000 to keep the 48 weeks of work plan in operation. The year's turnover was more than 200 million dollars. Therefore, the year's depression cost one-tenth of one per cent of the turnover.

"In other bad years we have had to close down some of our factories," said Colonel Procter.

"In 1929-30 we did not close an hour. I think that experts would say that stoppages and replacements would have cost us far more than \$200,000. So it is fair to say the plan did not cost us anything."

In that time of depression the 10,000 men and women who work for the Procter and Gamble Company went blithely on paying for their groceries. They bought houses and automobiles. The principal Procter and Gamble plant is in Ivorydale, a suburb of Cincinnati. No city is less affected by the minor ills of the business world than is Cincinnati. Years ago its wise real estate men opposed the threatening influx of great industry and insisted on diversification of the city's trades. Yet when a major storm sweeps the world Cincinnati feels

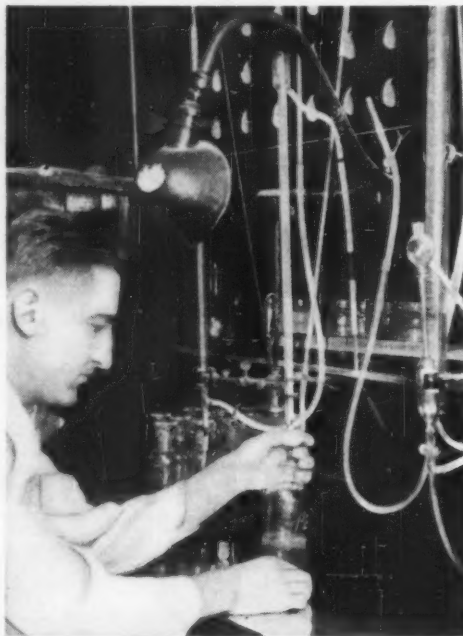
the impact. Skilled and steady workmen are suddenly to be found seeking work.

But not at Ivorydale.

"Most of my customers work for Procter and Gamble," said a grocer. "They are as good as wheat in the mill."

"They put money in the bank," said a banker. "They rarely borrow any. Eighty per cent of them own their homes."

"This is the happiest suburb in the United States," said a clergyman.



Soap is a staple but change may alter the markets for a specific brand

Yet the Procter and Gamble plan is but the successful application of common sense. Emphasis should be laid upon the fact that it is in no sense a philanthropy. It is business to the last decimal. It would never have been tried if thought and test had not convinced Colonel Procter that it could be tried safely. If it had proven impractical it would have been promptly abandoned. Yet it had its inception in his conviction that the company owed a social duty to its employees. Their lives should be given the happiness which safety alone could bring. Without the assurance of steady employment, pensions, sick benefits, insurance and Christmas baskets are of no consequence to the workingman.

Soap is the world's first staple. War prisoners asked first for soap when release came. We must wash our faces before we go to the movies or look for a job. Clothes soil as certainly in hard times as in good. The consumption of soap the world over, year by year, is

ratable by population. But the consumption of the individual manufacturer's soap obeys no such simple rule. Shifts in business may lessen the demand for his particular product. A rival may develop a finer and cheaper soap or launch a sweeping advertising campaign. A score of things might have a serious effect on the unfortunate maker. It is obvious that Procter and Gamble could not guarantee 48 weeks of work to employees unless the company could know accurately how much soap the sales department would sell for the year to come.

"The sales department will find out," ordered Colonel Procter.

That was in 1921. The worst of the depression of 1920 was ended. During that period the pay roll at Ivorydale had dropped from 2,848 to 1,832. In 1921, fourteen hundred thousand dollars had been written off the inventories. The sales department had for years been selling exclusively to 5,000 jobbers. A jobber tries to buy in the cheapest market and sell in a better one. No blame attaches to him. He would not last long on any other plan. But Colonel Procter had inspected the company's books. He found that, although the total soap sold only varied with the population year by year, the monthly totals were likely to show extraordinary ups and downs.

The jobbers cancelled or reduced their orders or increased them again as they heard from the retailers. They could do nothing else. The jobber is, in effect, a thermometer of business. The sales department was able to show that it had almost no jurisdiction over the jobber. It could supply him, but it could not compel him.

New distribution methods

"WE must change our method of selling and distributing our products," said Colonel Procter.

Only manufacturers, perhaps, can fully appreciate the great courage involved in this decision. Procter and Gamble's relations with the 5,000 jobbers had been pleasant for three quarters of a century. The jobbers had, naturally, warehoused whatever goods they bought. If they were no longer to be depended on, warehouses must be provided and an entirely new scheme of distribution set up. It is no longer a secret that Colonel Procter's 48 weeks of work plan was not received with unanimous approval in the company's own office.

"I did not think it would work," said R. R. Deupree, then sales manager and now president and general manager of

the company. From that day in 1837 when the first soap was boiled and the first tallow candle molded in the Procter and Gamble factory in Cincinnati the rule of the house has been to watch the well-being of its workmen. The first William Procter and James N. Gamble were known as kind men. Their successors were known as kind and generous men.

When William Cooper Procter came to the works in 1883, fresh from college, the tradition had been established. It was not long before some of the elders were shaking their heads at him. One of them frankly said:

"We thought he was a radical."

He was not thinking along the buoyed and lighted channels. He was the third generation of Procters in the soap business. He was a cultured and scholarly

man, too, and rode horses for pleasure instead of using them to get through muddy roads. Old timers still tell of his speed and endurance in Canadian snows. He enjoyed music and art and literature. Today his private office in the Gwynne Building in Cincinnati seems the library of a country gentleman rather than the working place of a man of affairs.

Humanizing factory work

NO WONDER the men old in business looked on him as a theorist. Gradually a picture was built up in my mind of his early efforts further to humanize business conditions in the factory. Something of it came from my own almost forgotten knowledge, for I had lived in Cincinnati years ago and remembered

some of the things that were said. The sturdy business men to whom I used to listen had been raised in the tradition of hardness. It seemed to them that the man who did not favor the hard rule in business must be soft.

William Cooper Procter was the first manufacturer in America to give his men a Saturday half-holiday. He led the way in providing factory conveniences and safety devices. Workmen's compensation legislation has in every instance followed the path that he had blazed. He introduced a pension plan and life, health and accident insurance. The profit-sharing plan he offered the factory employees was one of the first, if not the first, on record in the United States. At his suggestion an interplant committee was formed among the employees. It worked so well that later on three directors were elected by the employees to sit on the company board. The company elects nine.

Loyalty and efficiency

ALL of these innovations worked. Some with greater, some with less, success. But they worked. They were profitable in that they produced a loyalty among the men which found reflection in increased efficiency. Only the profit-sharing plan had not been wholly admirable. Twice a year the employees took the ten per cent of their wages the company gave them in cash and spent them with rejoicings. Colonel Procter was not sat-

Like the housewife, the soap maker must taste his cooking to see if it is done



Blocks of soap, run through this machine, emerge as bars. The sales department's job is to estimate in advance how many of these bars the public will buy in a year. Production is regulated accordingly

ified, because he had hoped to encourage them to save.

He does not wholly believe in pensions. He believes that the workingman will be best content when he knows he is building up his own fortune. Independence is the finest thing that life can offer.

A new sales department

LET us return to 1921, when the 48 weeks of work plan was first decided upon. Colonel Procter ordered a complete revision of the company's sales and distributing departments. The new plan made it possible for Procter and Gamble to sell its products direct to retailers, which group included grocery, drug and department stores. The jobbers as a corps were replaced by some 250,000 merchants, wholesale and retail. A somewhat strange but nevertheless happy result of the plan is that most of them still sell the company's soaps along with articles of food. I have said that three million dollars was spent in putting the new plan in order. Most of that three million dollars was to provide warehousing space and to set up a new sales structure. When all was ready the new order was issued:

"The sales department will estimate the sales it will make in the next year.

"That total will be divided by twelve. We will make one-twelfth of the total each month.

"The sales department will then sell up to its estimate."

The sales department always has. It has underguessed a little now and then but it has never overguessed. In three years the percentage of total error was but two-thirds of one per cent. The process of estimate has been aided by the fact that the United States has been divided into areas of 250,000 population, with each of which it is the business of the salesmen to be familiar. When their district estimates are returned to the home office they are read in the light of the reports upon general business conditions, the advertising plans in preparation, the new lines to be offered and the other factors which will govern the output of the year to come. Then the year's total is decided upon.

That total stands. The sales department must sell it.

It is that demand on the sales department to which Colonel Procter referred when he declared that, "thought and effort have been made necessary by the company's obligation to the plan."

Other manufacturers will and do maintain that the soap business is unlike any other business. That is assuredly

true. Yet that is not evidence that other businesses could not do what has been done in the soap business. There is no more seasonal employment than that of crushing sugar cane, as R. R. Deupree pointed out. The cane comes from the fields to the mills.

"How would you handle the situation if you were a planter?" he was asked triumphantly by a man who is a planter.

"I do not know," said Mr. Deupree. "I have never studied the sugar business. Yet I do not think there is a vast difference between cane crushing and cotton seed milling."

Cotton seed has always been milled almost as rapidly as the cotton is ginned. The cotton harvest might last four months throughout the country. The seed would all have been pressed in six months. There has always been a good reason for this, for the seed turns sour and rancid and is useless. The Procter and Gamble factories handle thousands of tons of cotton seed oil.

"When Colonel Procter discovered that the cotton seed milling was not amenable to the 48 weeks of work plan he almost died," said Mr. Deupree.

Whereupon he went to work on the problem. Now the company's 15 cotton seed mills have tanks in which the seed can be safely stored indefinitely. If the mills do not work on a 48 weeks basis it is only because the seed or the labor is lacking. The structural set-up is there. That instance is, I think, the most dramatic evidence that Colonel Procter was right when he declared that the kinks can be ironed out by manufacturers who have the will to do it.

The company's desire has been twofold.

It has desired to improve the conditions of life for its working force.

It has insisted that the 48 weeks work plan shall pay for itself.

Profits were squandered

ONE flaw had been discovered in the years of cutting and fitting which preceded it. When profit sharing was first instituted at the Procter and Gamble works not all of the sharers profited. They were too likely to spend their semi-annual bonus in trips to Atlantic City or the purchase of a new car. Therefore the plan was changed. Any employee making less than \$2,000 a year may subscribe to the company's stock—on a money back guarantee—up to the amount of his annual wage.

He is enabled to pay for this by a deduction of five per cent from his wage to which the company adds 12.5 per cent. In approximately five years the

stock belongs to him. He can sell out at any time and get his money back with six per cent interest. Of course, he does not get the company's money.

That profit-sharing plan has made Procter and Gamble's employees rich.

Yet one man who had never made more than \$32 a week has a fortune of \$175,000, thanks to his stock savings and the stock dividends. A woman has just retired on an income of \$9,000. Another is gratifying a life-long ambition to visit Europe. Her \$6,000 income will enable her to stay as long as she pleases. If such examples are not multiplied it is only because, after a time, multiplication ceases to be dramatic. But remember that the banker said 80 per cent owned their homes.

Best employees are savers

THE men and women who saved their money in the profit-sharing scheme have been without exception the best employees. It is an extraordinary fact that five per cent of the working force—the proportion varies slightly from time to time—will not take part in it. They are moved by as many motives as move humanity. It is only business that the company wishes to protect the best of its working force. Therefore two rules were made:

No man shall be entitled to the protection of the 48 weeks of work plan who is not a profit-sharing investor.

No man shall have the right to share in the profits until he has been with the company six months.

In 1929 the labor turnover at Ivorydale was 168.

That the 48 weeks of work plan is profitable to the workingman needs no demonstration. Safety is the one thing he most desires. Unfortunately, it is the almost voiceless mass that provides the bulk of America's factory labor that suffers most when safety is denied. That the plan has been profitable is indicated by Colonel Procter when he says that it keeps every man on his toes.

"We would not be able to keep it in operation if it were not for this constant pressure of obligation."

But there is another profit. It is hinted at, perhaps, in the fact that, with fewer men at work, production in August, 1930, was 11 per cent greater than in August, 1929. That might be accounted for by improvement in machinery or methods. It is accounted for, I think, by that definite happiness and content to be found among the workers at Ivorydale. One worker said:

"This is the best place to work I ever seen. Your job's safe. See?"

The Man Who Saved an Industry

By WILLIS J. BALLINGER

Professor of Economics and Sociology, Goucher College, Baltimore

THE other day a dapper gentleman with his hat set at a jaunty angle acknowledged the greeting of the doorman at the Hotel Plaza and strode briskly toward Central Park for his daily walk. He seemed entirely carefree and quite probably he was, because, for the first time in 58 years, he was free from business problems.

The man was Charles Melbourne Higgins, recently retired vice president of the Standard Oil Company of New York, last survivor—except his chief—of the remarkable group of men whom John D. Rockefeller gathered around him in the early days of his struggle to end a guerrilla warfare that was wasting natural resources and wrecking fortunes in the world of oil.

Growth of oil

IN THE course of his business life he watched the Standard Oil Company grow from a struggling little organization that occupied three rooms in a Cleveland office building to such dominance in its field that the attorney general dissolved it on the ground that it was a monopoly.

He watched John D. Rockefeller rise from a young executive worrying about how to meet his creditors to eminence as the world's first billionaire. His regard for Mr. Rockefeller



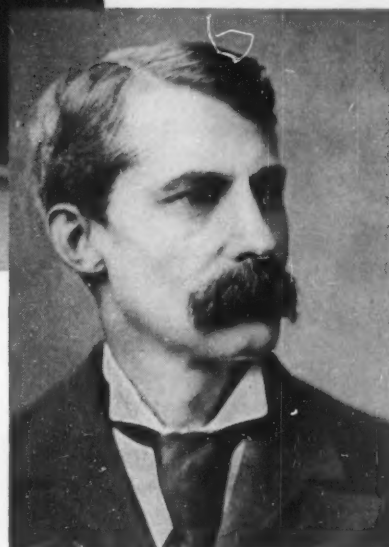
J. D. Archbold weighed only 135 but few men carried as much mental weight



"THE WORLD envies John D. Rockefeller's success in business. I envy his success in life," says Charles Melbourne Higgins in this interview. Mr. Higgins is the sole survivor, except his chief, of the men who helped Rockefeller build Standard Oil to success. He describes here the philosophy and characteristics that made Rockefeller a great leader and records the oilman's recipe for happiness

is as great today as it was when, an embarrassed youth of 15, he stood before the future oil magnate and asked for a job as office boy.

"As I look back on that first meeting with Mr. Rockefeller," Mr. Higgins says, "one trait stands out. As I saw him that day he is today and has been all his life. His kindly manner, his unruffled dignity, never



Henry M. Flagler

varied no matter what the situation. I never heard him lift his voice in anger. I have seen board meetings when excited men shouted profanity and made menacing gestures, but Mr. Rockefeller, maintaining the utmost courtesy, continued to dominate the room.

"I think of him, too, through these many years as a man of the deepest sympathies, easily touched by suffering. But he never rushed into pity any more than he rushed into business. In both he

tempered his impulses with hard-headed thinking. In business he steered a course of intelligence. In his philanthropy he did likewise. Emotions and thought were beautifully balanced in his personality."

A job as messenger

MR. HIGGINS went to work for Mr. Rockefeller in the summer of 1872. The oil man was 32 in July of that year. The Standard Oil Company of that day was frequently beset by its creditors but even then young Rockefeller was attracting attention and whispers hinted that some great and daring scheme was taking shape in his modest offices.

Although young Higgins had never met Mr. Rockefeller, his job as a messenger for the Atlantic and Pacific Telegraph Company took him frequently to the Standard Oil offices.

He had taken the messenger job from necessity to help his widowed mother

The shock wrecked the health of the boy's father. He died soon afterward.

"I can remember," Mr. Higgins says, "how the sheriff drove off our pigs and cows and turned my mother and us two children out of the house."

The boy got a little schooling. His mother managed to borrow enough from friends for that.

"But even as a little fellow I realized that we were terribly poor," Mr. Higgins says, "so I got a job as soon as possible."

The Standard Oil offices attracted the young messenger.

"I always liked to deliver messages there," he remembers, "the folks were so nice. I wondered if I couldn't switch over into the oil business, and waited for a favorable opportunity."

"One day I delivered some very confidential wires to the offices. After I had told Mr. McDonald, who intervened between an inquisitive public and the little inner sanctum where Mr. Rockefeller sat, about my telegrams, I inquired if they didn't need a personal messenger."

"'Maybe,' smiled Mr. McDonald. 'Suppose I have a word with Mr. Rockefeller. Come in tomorrow.'"

"The next morning I was at the office before it opened. I sat down to wait for Mr. Rockefeller. At about 9:15 the

door opened. In came an elegantly dressed gentleman. He wore striped trousers, a silk hat and carried suede gloves. Quietly he said, 'good morning' to the outer office and then disappeared into that little room. I knew it was Mr. Rockefeller. In a moment I was face to face with him.

"'Won't you sit down?' he said kindly. I was so nervous that I almost fell over backward getting into a chair.

"'Fine morning,' Mr. Rockefeller continued, pretending not to see my embarrassment and sorting over the mail before him. Then he began to ask me some questions about my family. It was a trait of his always to know something that you didn't think he possibly could know. His mind was a storehouse of information about oil. My father's unfortunate venture had been carefully registered. I felt more at ease.

"'Won't you take some chalk and put some figures on that board?' he said at last. I did so.

"'You make very fine figures,' he complimented me. At this time oil prices were shifting nearly every minute. Men were millionaires at nine o'clock, paupers by 11. On the blackboard in his office Mr. Rockefeller followed the prices.

"'I think you are the boy we are looking for,' Mr. Rockefeller said at last. The next day I went to work as his private messenger."

A battle for six years

THOSE early days have left Mr. Higgins pleasant and exciting memories. Memories of long silences when Mr. Rockefeller, emerging from his private office, climbed on a high stool before a bookkeeper's ledger. Sometimes he studied the figures, making frequent calculations on a pad. More often he sat motionless for ten or 15 minutes, staring out the window, a tall, angular young man with a large mustache, flowing off into dark side whiskers. His eyes were not large but even the most casual observer noted that they were unusually brilliant and piercing. Behind him two or three other persons remained apparently absorbed in their tasks but stealing glances now and then at the silent, contemplative figure, musing, calculating how he could best maneuver his small army of dollars in the battle against ruinous competition in the oil industry.

In six years he had won but, before that final victory, he was often so hard pressed for money that he went home at night wondering how he could possibly pay the loan he had negotiated.

Always, however, his courage sent him back to work the next morning wonder-



Charles Melbourne Higgins entered the oil business as messenger 58 years ago

support the family. It is a coincidence that his mother's need arose from the very practices that Rockefeller was trying to stop. In those days the oil industry was in chaos. Refiners and producers were engaging in a cut-throat competition. Higgins' father was one of the many casualties. With a partner, he joined the oil rush in Venango County, Pa. They raised money to sink a well. It failed and the partner absconded with the pitiful funds that were left.



Samuel Andrews sold out for a million dollars. His holdings later were worth 900 million

CULVER SERVICE

"MR. ROCKEFELLER realized that the oil industry was bordering on prostration because of undisciplined competition. He had the courage and ability to stifle this practice. Today Rockefellers are needed. Nearly every commodity suffers from overproduction. There are too many producers and our laws prevent consolidation"

ing how he could increase the loan.

One of Mr. Higgins' clearest memories is how one day he carried a little black bag to a bank known as the "Society of Savings." In that bag were funds that had arrived in the nick of time to prevent a foreclosure.

A new stockholder

MR. HIGGINS tells about the bit of drama which made that deposit possible and also brought into Standard Oil a man who afterwards became Mr. Rockefeller's right hand man.

"Old Dr. Harkness and his brother, Stephen, of Bellevue, Ohio, had amassed a fortune," Mr. Higgins says, "in the grain business. Mr. Rockefeller heard of their success and negotiated for a loan. Now Henry M. Flagler, a young lawyer, had married Dr. Harkness' daughter. The brothers were interested in putting him up in business. They decided to buy up Standard stock instead of just making a loan and thereby put Flagler into the company.

"I remember several conferences that were held in Mr. Rockefeller's private office. I did not know who Mr. Flagler was but he impressed me. He was about five feet ten inches tall and his clothes were of the most stylish cut. He carried himself with a confidence that was regal. He had a heavy black mustache and the most beautiful hair I had ever seen.

"After he came to the company he became Mr. Rockefeller's confidant. They had desks together in the little private office. When negotiations were under way, one of them would draft the correspondence and then pass it to the other. The letter would pass back and forth many times until both were satisfied that it was clear and sound. Then Mr. Rockefeller would call up Mrs. Rockefeller—she was known to be his most valued adviser—and the letter would be read to her. Then Myron R.



John D. Rockefeller as Mr. Higgins first remembers him

Mr. Rockefeller in 1880 after he had lost his side whiskers

Keith, the company's attorney, would be the last judge. Mr. Rockefeller always was cautious and precise in his business correspondence.

Always "Johnnie"

"LATER John D. Archbold, of the Acme Refining Company of Titusville, Pa., joined the company. He was a peppery bantam. He weighed about 135 pounds but few persons carried as much mental weight. He was one of the quickest, shrewdest thinkers I ever knew, and one of the most buoyant characters. He was unassuming and democratic. He would permit no one to address him except as 'Johnnie,' even when he was chairman of the board.

"Many times I have heard him coming down the corridors whistling some ridiculous ditty, bubbling over with vitality and acting more like a mischievous school boy than an executive of a great oil company.



Standard Oil's first home was a three-room suite in this Cleveland building

"He had one perplexing trait. He was a champion bluffer. Sometimes he used to bluff himself out of a tight hole in business but more often he loved to bluff just for fun. He would tell his friends the most impossible things in a most serious manner. Somehow I caught on to his tricks. Something in his manner

(Continued on page 135)



Business men do not want the truth published unless the truth is that better things are ahead

ALEXANDER DANA NOYES in the *New York Times* for January 5, 1931, wrote:
 "As the president of the American Telephone and Telegraph Company lately remarked, 'No responsible financier will make unpleasant predictions publicly because he knows that it will earn for him the dislike of the business world.' It is therefore always taken for granted in advance that our men of affairs, when they affix their names to New Year Day prophecies, will seek for a hopeful side and so exclude any disagreeable offsets."

Here is testimony that business does not want the truth. From my own experience I can supply additional evidence. In February, 1929, I sent an article to one of the leading business magazines¹ in the United States, one which had previously published material by me. The article was declined on the ground that it was pessimistic, that it forecast a coming decline in business. I asked for further information for I found but one clause that could be so characterized. That clause was, "If a turndown in business should take place in 1929, as now seems probable." When this clause was pointed out to me, I suggested omitting it, but the editor did not want to use the article because the probability of a cyclical turndown in 1929 could be read between the lines.

He wrote me that business men did not approve the publication of any forecasts predicting declining business. I took up this statement with the editors and publishers of other business periodicals and found that business editors in general agree on this point. I have been wondering ever since whether my conclusion was drawn from too few examples, but since I have read Mr. Noyes' statement quoting Presi-

¹The magazine to which Mr. Simonds refers is *NATION'S BUSINESS*. He is too courteous to mention it but we plead guilty.

Business is

dent Walter Gifford, I am sure that, so far at least, business does not want the truth, unless the truth is that better things are ahead. Are we to believe that there was a general, definite understanding between editors and readers that the great number of predictions made and published about January 1, 1929, did not seek to convey the whole truth, but simply to be optimistic and to recite the hopeful signs which business men and spectators saw at that time?

Is it wise to refrain from considering the influence of this kind of business prediction, in the midst of the boom of 1928 and 1929, upon the business and the speculation of the ten months before the stock market crash? Did these business leaders,

economists and statisticians know the truth at the beginning of 1929 or at any time before the crash? Did they purposely refuse to tell the truth and actually give out misleading predictions? Was the "new era" the discovery of a "responsible financier" "seeking for a hopeful side" and to "exclude any disagreeable offsets"?

Ordinarily the safest course when one is ignorant and is advising others whose friendship he wishes to retain is to be hopeful; but the wise course would seem to be, if one is ignorant, as may be the case, to say so. I wrote to one of my friends that, during the first nine or ten months of 1929, I was treated like a skunk at a garden party. Now I know why. I have learned why from the president of the American Telephone Company and from the business editor of the *New York Times*. I have also learned why from many other sources.

A pessimist in the boom

THE January, 1929, issue of *Machinery*, carried a large number of business forecasts for the coming year. Mine was among them. In it I said:

"The first part of 1929 looks good. Looking further forward we see some good-sized flies in the ointment. The stock-market gambling is bound to do serious damage to business if it has not already done so. The market at present approaches the madness of the Florida boom. The bubble ought to burst—the sooner the better."

This was written in December, 1928. About nine months later, a well known forecaster declared that stock speculation was then like the Florida boom and was bound to burst before long. Some have found the cause of the stock-market crash in this statement.

is Afraid of the Truth

By **Alvan T. Simonds**

President, Simonds Saw and Steel Company

DECORATIONS BY GEORGE LOHR



MEN who could have warned of the depression of 1929 did not do so because such prophecies would have made them unpopular, says Mr. Simonds, who adds:

1. Business men want published only hopeful forecasts no matter what the truth may be.
2. This refusal to face the facts greatly increased the seriousness of the depression.
3. There is a barometer which shows a danger signal when business slumps are coming

Leading executives of statistical organizations that sell services to the public have told me that they hesitate to forecast coming declines because, whether their forecasts prove accurate or not, they lose clients by so doing. It is stated that nearly all commercial organizations for business forecasting will make discouraging forecasts only between the lines. Yet it would seem that business executives would have greater confidence in an organization that, in the first months of 1929, forecast the coming decline in business and the crash in the stock market and that in the long run such an organization would increase its number of clients.

If this is not true, what must we think of the common sense of business managers and directors? Can a business executive conduct his enterprise successfully in ignorance of what is ahead, guided only by hunch and luck plus misleading Pollyanna predictions?

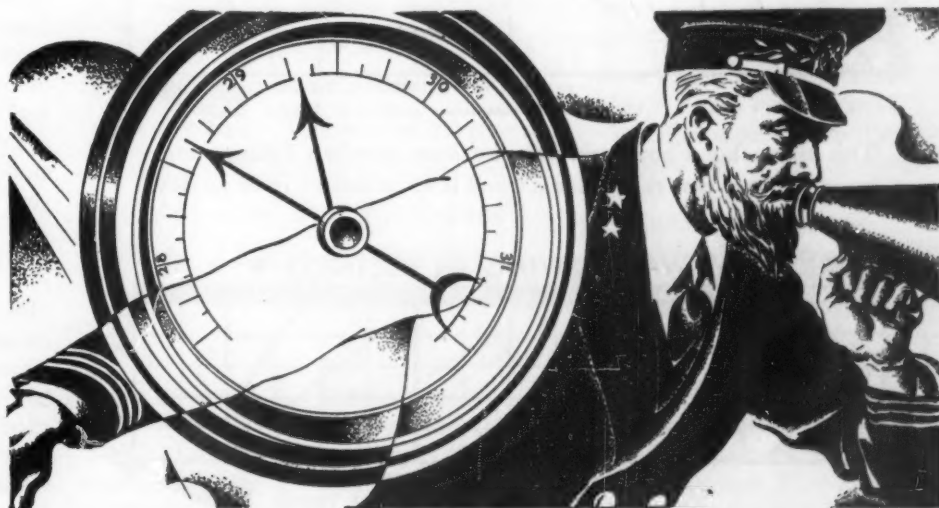
Here someone suggests that some financiers and speculators grow richer because of extreme fluctuations in business activity and stock prices by being alternately bulls and bears at the right time. This implies that these financiers and speculators do foresee the business and

market trends and that they keep the lambs in blissful ignorance until they are properly fleeced. Few, however, would be willing to accept this surmise.

After the depression of 1921 it was stated, usually with qualifying clauses expressing surprise, that only five leading bankers, business men or forecasting services had in any way given warning of the coming depression. Frank Vanderlip, until 1919 president of the National City Bank, was one of those who gave warning. He could not have agreed that this was unwise. Paul M. Warburg was another, as we remember. He also gave warning in the early part of 1929. He evidently does not agree that the truth is harmful to future business, or that when a man is telling the public what he sees ahead in business, he should mention only favorable factors even though these are greatly overbalanced by the unfavorable.

Truth is praised in retrospect

SINCE Mr. Warburg's forecast at the end of 1930 of a revival with increasing stock prices, business men and business editors have been recalling with praise his forecast in early 1929. This would seem to indicate that, in retrospect, business men and business editors appreciate forecasts that have proved to be correct; but at any given time they want only forecasts of the future that harmonize with their own feelings. How different from the scientist who always seeks the truth even though it may controvert his life work. Business men, of course, are practical men, not scientists. That is why,



When the barometer is falling, a sea captain does not argue about whether the barometer can cause a storm. He prepares for bad weather

so far, we have not developed scientific business management.

George E. Roberts, writing in the *Bulletin* of the National City Bank of New York, for December, 1930, declares that "just as the basis of every depression is laid in the preceding period of prosperity, so the basis of every prosperity is laid in the preceding period of depression. . . . We never see the impelling forces from which revival springs until afterward."

I wonder if this is not true of the majority of financiers and business leaders. As they look ahead, not finding the truth in sight, they turn to hope and faith and speak accordingly. We believe, however, that a larger percentage of financiers and business leaders knew in 1929 that a depression was coming than was the case in 1920. It may be possible that many of these thought it unwise to tell the truth, some because they were not confident enough in what they knew, others because they were not public-spirited enough, and others perhaps because they thought it would do more harm than good. This raises the question as to how much harm ignorance of the coming depression caused and whether or not a warning that it was coming did anyone any good.

What value is forecasting?

IT IS often claimed that forecasts of a decline in business coming from men in whom the public has confidence will help to hasten such a decline or possibly may bring it about when otherwise it would not have occurred. Perhaps this is the kind of castor oil that should be administered when a boom has become unhealthy. When money rates are soaring to dangerous heights anything that puts a brake on them is helpful and will mitigate serious consequences. Certainly the wildly optimistic forecasts in the first months of 1929 helped to continue a boom that should have been retarded or blown up before it was too late. In February the Federal Reserve Board suggested castor oil but did not administer it.

I believe that any fair-minded, intelligent student of the situation in 1929 would be obliged now to acknowledge the immense value of a statement made in the spring of that year by an authoritative source or, better, by a large number of authoritative sources that, if money rates continued to

increase much beyond the point they had then reached, business depression and a crash in the stock market were inevitable. I believe that any intelligent appraiser of the situation would now agree that such a statement generally believed and acted on would have prevented incalculable loss and the greater part of the suffering and unemployment of 1930.

There is no way of summing up the benefit received by those who did get such warnings and who believed in them, but the total of this benefit and saving may be much greater than we believe. I was surprised last September as I stood on the platform at a meeting of the New England Council at Middlebury, Vt., at the statement of the gentleman who introduced me. His introduction was, somewhat abbreviated, practically as follows:

"As one of the newer members of the New England Council, I welcome this opportunity to present Mr. Simonds. Mr. Simonds is president of the Simonds Saw and Steel Company of Fitchburg, Mass. He is a friend of mine. I have no doubt that statement comes to him as something of a shock because I met him for the first time but a half hour ago. My statement, therefore, needs some explanation and of necessity it will have to be somewhat personal.

"I am a lawyer by profession; I am a shoe manufacturer by trade. In November, 1926, I left the concern with which I had been associated for seven years to enter a new business of my own. We got nicely started in Maine. We were successful. We had a lot of young executives and we thought things were going along in great shape. So, in January, 1929, I went down to New York to attend a meeting of the National Shoe Manufacturers' Association.

"Everything was fine. We had plans for a larger factory. Orders were coming in so fast that we were getting behind our schedule. We were buying material, three, four, five months ahead, or committing for it, and we saw no reason why everything was not going to continue along on that basis.

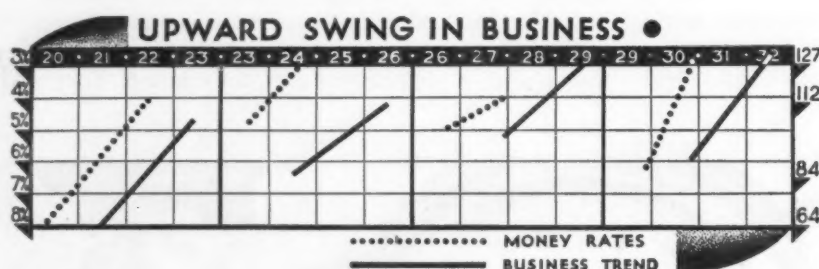
"At that meeting Mr. Simonds made an address which made a deep impression on me. He said some things that the shoe manufacturers did not like. I never will forget the impression I received from some of the older members after that talk. They indicated that perhaps Mr. Simonds said

some good things, but they thought he had gone too far and the idea that business was not going to continue as it was was perhaps, a bit too radical. When I went home from that convention, we determined on a policy as a result of Mr. Simonds' talk. We cancelled our negotiations for a factory of larger capacity. We started an active campaign to reduce our inventory. We went into our overhead and we cut out every expense that we could. We took what he said as our guide. The result, of course, has been very pleasing.

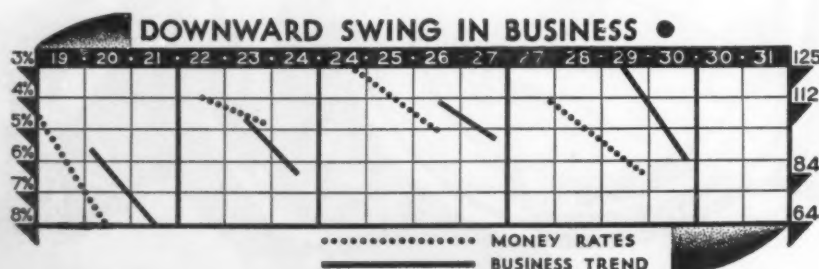
Prepared for a depression

"IN March, 1930, we came out with an auditor's report for the second quarter with no bank loans, a small but live inventory. Our receivables were in excellent and healthy condition. We were in the strongest cash position that we had ever been in. As a result of Mr. Simonds' talk, our concern has been able, during this depression, to make a

(Continued on page 122)



This chart shows how increasing business parallels falling money rates. In every case the business trend is up as money rates go down



Since 1920, increasing money rates have forecast declining business. For simplicity, the scale for money rates is reversed on these charts

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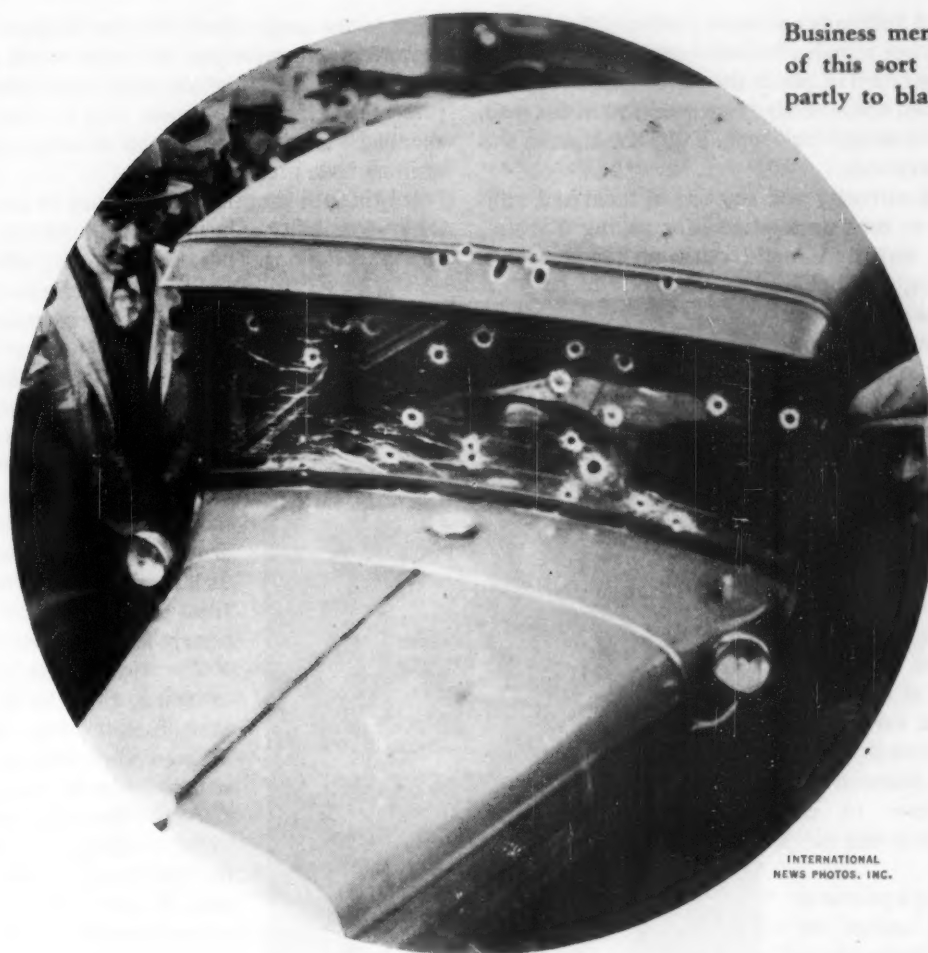
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Business men who disapprove
of this sort of thing may be
partly to blame for it

INTERNATIONAL
NEWS PHOTOS, INC.

Business Can Whip the Racketeer

By BRUCE SMITH



MR. SMITH has made 50 studies and surveys of American police departments and surveys of all state police forces. He has studied police systems of foreign countries and is a staff member of the National Institute of Public Administration. He blames business for the "racket"

IT WAS a million dollar hold-up! No machine guns; no automatics; no pineapples; just a cold-blooded ultimatum. Nevertheless it was a hold-up and the lawyer so reported to his clients, the railroads that serve one of the great cities of America.

"Unless we pay them a million dollars," he reported to the railroad officials, "the city councilmen are going to sabotage our scheme to build a union station."

That was bad news.

Long before this incident occurred the railroads had decided to erect a union station. The decision involved a great deal more than the mere erection of an imposing building in the heart of the city. It called for extensive terminal facilities and the relocation of scattered tracks and

yards. It meant the surrender of old rights in return for new ones.

The municipal authorities had the power to grant those rights; indeed, it was their duty to grant them in the circumstances.

The railroad chiefs, however, had quietly taken options on the real estate that would be needed for the project and, in doing so, had spent great sums that would be wasted

if their scheme was not carried out.

"A delegation of them came to see me today," explained the lawyer. "They made their business perfectly plain and they spoke for the political gang in power. They can deliver what we need, but unless we pay them a million dollars they will not deliver it. They will deny us the necessary franchises and street privileges." The men who become

heads of American railroads are never mollycoddles. Sitting in this conference was a man who had risen from rodman to be chairman of the board of one of the great railroad systems of America; another, the executive vice president of his road, had started out as a freight brakeman. Everyone of them was hard-boiled and practical.

All of them had authority and any one of them had sufficient imagination to cook up a scheme for paying that million dollars in a way that would cause no repercussions. Neither newspapers, stockholders nor Interstate Commerce Commission accountants would be likely to ferret out the details of the arrangement if that group made up its mind to pay the million.

Cheaper to settle

"IT WILL be cheaper to settle with them," said one of the group. "It won't take quite a million. That's just their asking price. We can at least bargain with them but even if we had to pay the million it would be cheaper than to abandon the enterprise. We have to go ahead. They've got a half nelson on us."

Everyone nodded agreement. Everyone, that is, except the lawyer to whom the councilmen had presented the bill for graft.

"Gentlemen," he said, "I have been connected with the legal department of my railroad for more than 30 years. I have been in charge of the legal end of the negotiations for the union station. I am paid a salary and not fees. If I should give up my present connection I should be sacrificing the biggest part of my income and I'm too old to enjoy the prospect of starting again; but, gentlemen, I will resign before I will become a party to this transaction. Some of you feel that we owe it to our stockholders to make this arrangement on the basis of least possible cost and at first sight the payment of the graft seems the least expensive way; but I say again I won't have anything to do with it."

The railroad lawyer had to say a great deal more before he had his way; he had to convince his associates that the people of that city were a bigger power collectively than the grafters. In the end they agreed with him.

Thereafter for some months the city council was ignored. Instead, the terminal corporation financed and directed a campaign to educate the people of the city to the advantages to themselves of the union station. The people were shown that this was not merely a scheme to increase railroad profits; it was a piece of management that promised an appreciably lower level of costs for everyone. Consequently when the ordinances were finally presented to the council for action there was such a solid body of public opinion behind the enterprise that the city hall grafters dared not withhold approval.

The union terminal of that city stands today as a monu-

ment to the proposition that you business men can lick the racketeers whenever you put your minds and hearts to the job. The trouble is that too many times when the opportunity presents itself for a business man to meet this problem, to shoulder his responsibility, he measures the thing in terms of immediate profit or loss.

It is in such situations as this that we can begin to measure the responsibility of business men for what we know in general, as racketeering. That term, however, will require definition.

Some of us carelessly classify all who are engaged in outlaw businesses as racketeers. The bootlegger, the dope peddler, and other illicit traders, are not necessarily racketeers; more often than not, indeed, almost invariably, they pay tribute to racketeers. Perhaps the racketeer who collects from them is a policeman or a detective or has a kind of power of attorney for a ward leader. So let us keep the record straight by excluding from our definition those who are merely law-breakers.

The real sphere of racketeering is extortion, aided by threats or violence, from absolutely legitimate business. Real or pretended services are rendered in return for cash. Such services may include the intangible benefits that accrue to the victimized business man through the association which he is forced to join. He may even console himself that he has lessened competition and gained a measure of immunity from government regulation. Perhaps 50 lines of business are affected, sometimes to their advantage; sometimes to their decided disadvantage.

The rackets began to operate in the first instance against small retail tradesmen who were defenseless against violent measures. Tailors, cleaners and dyers, laundrymen, public garage owners

and the like were "organized." After the police had been "fixed" it was a simple matter to bring pressure to bear upon such as these.

The strong-arm methods employed seem to have been borrowed directly from the practices of certain newspaper circulation departments, and from those of pugnacious labor leaders. In fact, some of the earliest Chicago racketeers were recruited at the back doors of certain Chicago newspaper offices, from the ranks of press circulation gangs, and from those other hoodlums who were employed to terrorize non-union workers.

No resistance to racketeers

THE small tradesmen resisted in some instances until they came to understand that either the police would not protect them or the prosecutor would not present racketeers for trial, or that magistrates and judges would not hold the scales of justice even. Sometimes all three of these agencies of justice have been controlled by their political masters, the ward bosses who are so often the full partners of the racketeers.

When the small tradesman woke up to the realities of this situation there was nothing for him to do but to comply with whatever demands the racketeers might make. He was, and is, so thoroughly helpless that it is impossible to hold him to any degree of responsibility. If he is a clothes cleaner



A little "protection," properly placed, might have prevented looting this office

and presser and resists his shop is looted. A customer whose suit of clothes has been stolen goes to another cleaner the next time—and the recalcitrant cleaner goes out of business or surrenders.

The laundryman who resists discovers that acid has been emptied over the bags of soiled clothing he has collected from his customers. Stench bombs are thrown into the shop of the stubborn confectioner. The unruly garage owner is lucky to escape with a fractured skull.

The racketeers attacked construction

BUT the racketeers have never been satisfied with small game. One of the earliest to suffer among the larger enterprises was the building business. The building trades were attacked through the labor unions, whenever these were in turn captured by racketeers. The great power of the union was thereafter misapplied for the single purpose of enriching the racketeers.

Who has forgotten Sam Parks and the blackjacks and brass knuckles of his "entertainment committee"? There are prominent building contractors in New York today who subscribe to the belief that Parks was wilfully imported from Chicago to New York by a building firm that intended to use him to harass its competition. The theory was that, at their command, Parks would call strikes or walkouts on the jobs of their rivals. There were other forms of sabotage. Hoisting ropes broke mysteriously and with disastrous consequences. Workmen who refused to pay tribute were murdered. Some of them were pushed or thrown to their deaths "on the job."

When the labor racketeering of Sam Parks became unbearable the building contractors of New York selected one of their number, the late Otto M. Eidlitz, to lead their fight against conditions generally and Sam Parks in particular. Eidlitz, who was intensely practical, hired shoals of private detectives. Eventually he gathered sufficient evidence to enable a district attorney to send Sam Parks to Sing Sing where he died. There you have an instance of what happens when business men accept their responsibility. If it were the rigid practice of the building contractors to refuse to pay graft whenever demanded there would be no racketeers with the power of Sam Parks.

Essentially the men responsible for the racketeers are those who submit to the demands of racketeers. Every dollar paid to racketeers increases their number, their strength and the disposition of their kind to collect more money. Dealing with them is as treasonable as trading with an enemy in war time. No one ever has or ever will solve the racketeering problem by paying tribute.

Here it should be pointed out again that the strong allies of racketeers are crooked politicians. If the racketeer cannot achieve his purpose by threatening a building contractor with violence he can always try to tame him in other ways. In

all cities building contractors are subject to supervision from municipal building inspectors. They can be and are hounded in many ways. Yet one of the largest contracting firms in New York City has never paid a dollar of "fix" money.

"If we pay one," said the head of this firm, "we will have to pay all of them. To pay is a sign of weakness. Since they know we will not pay any bribes we are not bothered. If the building industry as a whole refused to 'fix' crooked inspectors, the inspectors would, after a time, cease to be crooked or else they would become inspectors of something else in a field where the picking was easier. Our method is simple. We know the municipal regulations better than the inspector and we are scrupulous in obeying them. Consequently if an inspector says we have violated the law we know he is either right or wrong. If he is right, we alter our work until it conforms; if he is wrong we tell him to go to hell."

A swart faced little gangster walked unannounced sometime ago into the private office of a business man.

"I'm in," he said, seating himself on the opposite side of the business man's glass-topped desk.

"I see you are," said the proprietor with mild sarcasm. "But what for? What can I do for you this time?"

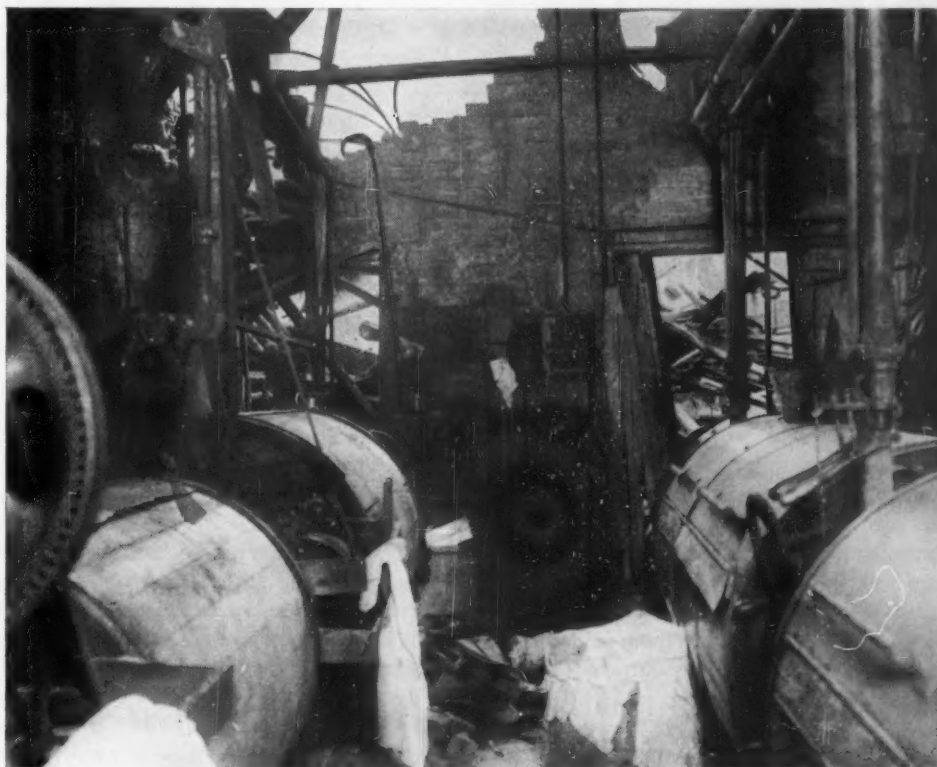
"I mean I'm your new partner, see?"

"Hold on," protested the business man, "I joined that association you fellows wished on me. I paid my dues and I paid the special assessments when you were lining up the competition; but what's this stuff about being a partner?"

A partnership for protection

"JUST that. I'm taking an interest in the business now. You are going to need me to keep the boys from tossing pineapples in your lap. You don't want 'em writing their names on your plate glass windows with machine gun bullets, do you? So, I'm coming in as a partner and they won't dare bother our business."

He got the partnership. This has happened in the automo-



The laundry owner who resists the gang may find his plant wrecked as this one was in Chicago. The small operator is helpless

WIDE WORLD PHOTOS

bile laundry business; in the dry cleaning business and in some others; but in a broader way it has happened to the people of the United States. One of the fundamental policies of certain political machines throughout the nation's history has been to organize "new" citizens, undigested immigrants. Certain species of aliens have been conspicuous by their prominence in the more vicious forms of gangsterism. They were among the first to discover that affiliation with political machines carried with it certain benefits not described in the Constitution.

Now how is the business man responsible for that? The business man, that is the industrialist, the big manufacturer, was the one who shouted loudest for immigrants. He wanted man power.

Effects of immigration

FOR many years the gates at Ellis Island were wide open because business men wanted cheap labor. Well, we got cheap labor. Now we are discovering that the small sums that went into the pay envelopes of those unselected immigrants were only a part of the price we had to pay. We are paying the rest now in the form of tribute to alien hoodlums. We let them in when we thought we needed them and now we are astounded because they are asking for a full partnership.

Some of the business men among my acquaintances who condemn the gangs think I am raising an irrelevant issue when I ask what their attitude on unrestricted immigration was ten, 15 or 30 years ago. Some of the most notorious gangsters were born in this country but a great majority of them are immigrants or the sons of immigrants.

In our large cities the unassimilated immigrants give the demagogic politicians their great power to override the will of what we think of as the American people. That is just one of the reasons why "the fix" has come to be such an important element in politics.

Because of the high cost of "the fix," many business men have deliberately made themselves powerful in politics. Now I am talking about the kind of man who acquires sufficient political power to make and break mayors, police commissioners and other officials. Some men seek this power as a matter of civic duty. This kind fights racketeers to the last ditch. Others acquire their political power for strictly business purposes.

Here is a type:

Mr. A is powerful in the public utilities field. Since his enterprises depend on political support for his franchises, for adequate rates for power and

gas, he long ago discovered that it was necessary to understand the political situation in his state. Mr. A became a heavy contributor to party funds—both parties' funds, in fact—and, in consequence, he gradually gained a larger voice in the naming of candidates.

Eventually, by reason of the very shrewdness that made him a captain of industry he became a field marshal in the politics of his state. He is now in a position where he should get his protection more cheaply than those who "buy" aldermen and legislatures after they are in power. Mr. A buys his in advance when it is cheap; but Mr. A has discovered that he is tangled in a web of racketeering of which he, of course, does not approve. But if he interferes with the racketeers he is interfering with his own bought allies.

A key man in the city government serves Mr. A's corporations as counsel; another key man at the state capital serves Mr. A's corporations as counsel. Those two are his "boys"; he hired them and he can fire them; but he will never fire them so long as they serve the interests of his corporations. These key men tell Mr. A that the political forces of the state are too narrowly divided for safety. He must not, therefore, interfere with the grafting ward leaders. If he does interfere the ward leaders will throw their strength to the other party.

So, now we find Mr. A, who is capable of nourishing high ideals of civic duty, forced to remain in partnership with a monstrous political organization. Mr. A does not approve of gang murders, machine guns, the tossing of hand grenades, or similar outrages, but what is he going to do about it? Is he going to break with the organization? What would then happen to his utilities interests? On the other hand, what is his responsibility for racketeering?

A peaceful racketeer

THERE is another type of business leader who goes even farther than Mr. A (and those like him) in trafficking with hoodlums. This type, represented by Mr. B, hates waste and inefficiency. Mr. B is a coal dealer. He is a born organizer, never so happy as when he is leading a group engaged in furthering some charitable or civic intention. He is a booster, too. He is sincere in his philanthropies and, incidentally, he has charm of manner and genuine culture. Is this the picture of a racketeer? Absolutely. Mr. B is a racketeer.

This man naturally applies his passion for organization to his own busi-

ness. He has allied himself with other coal distributors and with them has captured the market of his city. Large consumers find it advantageous to deal with Mr. B's combination. If they do not, various unpleasant things happen to them. City smoke inspectors call at frequent intervals. All over the city smoke stacks are belching smoke but the inspector insists that the smoke from this particular stack is thicker and more noxious than that from any other stack. Then, when the city assessment roll is made up, the recalcitrant consumer finds that his property has been valued at an outrageous figure. He knows he can beat the assessment but he also knows that to do so will cost him plenty in counsel fees. Through such attacks it is finally brought home to the consumer that he might avoid trouble by buying his coal from one of Mr. B's combination. No rough stuff here. No pineapples. No machine guns. But the racket wins!

Help for the politicians

IT IS too bad that Mr. B lacks one or two degrees of imagination. Probably he does not see how his relations with city hall politicians who help him play his game strengthen them when they want to play with rougher playmates, the boys who control the bootleg business, the beer running, the prostitution and dope selling.

Is it not perfectly clear that such men as Mr. A and Mr. B have the power to deal a death blow to the rackets? They could do it overnight. All they have to do is to order their mayor to order their police to go to work!

Out in Chicago the business men have accepted the challenge of the racketeers. Through the Employers Association and the Association of Commerce they have determined to behave as if the power they undoubtedly have, carried with it a legal as well as a moral responsibility.

Col. Robert Isham Randolph, president of the Association of Commerce in Chicago, a consulting engineer, has just about dropped every other activity to focus his energy on this problem. There are separate offices, a staff of investigators. There is a secret six who provide funds generously and whatever else is needed. Those six may be secret, mysterious, unidentified; but these terms cannot be applied to the body of public opinion behind them. This is the most hopeful sign on the American horizon just now. The real business leaders have concluded that it is time to interfere with the racketeers. In such a contest, ably led, honestly supported, the racketeers are bound to lose.

No Money in Selling Too Much

By PAUL T. CHERINGTON

Director of Research, J. Walter Thompson Company

DECORATIONS BY D'ARCY

WE HAVE 100 per cent distribution in Chicago, 95 per cent in Cleveland, but only 85 per cent in Pittsburgh." This is the sort of gibberish one used to hear from national advertisers in such lines of consumer goods as drugs or groceries.

It has been less often heard in late years, partly because it has been more difficult to keep it true, but more particularly because much of its significance is gone.

In the Census of Distribution conducted by the United States Chamber of Commerce and the Department of Commerce a few years ago some facts were brought out which bid fair to be confirmed by the more widespread similar census of this year and which may contain the basic reason for this change in attitude.

The distribution of consumer goods always has had as its central specification the necessity for meeting the convenience of the consumer. He used to walk about and in a large measure his convenience depended on this. He or she would not go far to a store except in a public conveyance. Hence there were two kinds of stores—the neighborhood shop to which the consumer walked and the downtown store to which he rode.

Variations in consumers

BUT a new set of consumer conditions has developed. Millions of incomes have risen above the bare subsistence line and the consumer's taste and choice have shown unmistakable signs of self-assertion. Figuratively speaking, wheels have been substituted for legs as a means for taking consumers to market. Style influences have been strengthened, and the



The public concentrates its buying in places that offer choice and service

ONE HUNDRED per cent distribution was once the goal of all sales managers. Lately many who succeeded in attaining it have found their success costly. The number of outlets is less important than the kind. Which type is best for your business?

means for spreading knowledge of them have been perfected.

At the same time, this more important fact has developed—millions of people now have a spendable surplus and definite ideas about how and when and where they want to spend it. A store is no longer merely a place where merchandise is kept; to succeed it must be a place which has in stock those goods which an awakened consuming public will buy. The public can, and does, concentrate its buying in those places able and willing to offer it a choice in its purchases and a maximum of satisfaction for its money. This satisfaction, moreover, is quite as dependent on extrinsic properties such as style, beauty and wide acceptance, as on intrinsic qualities capable of analysis. In other words, satisfaction is psychological as well as physical.

Profitable accounts

AS A result, such terms as "star accounts," "our 100 leading customers," "our carload customers" or kindred terms, have crept into the sales manager's vocabulary to indicate those retail outlets which already have won public favor or are making determined efforts to get it. One manufacturer with more than 20,000 accounts on his books has been surprised to find that 80 per cent of his business is with less than one-tenth of the total number; another finds that a few customers give him all his profitable business while most of the names on his books represent no profit, or an actual loss.

It is only natural, therefore, that the policy to be adopted in dealing with chain stores, department stores, mail-order houses and similar large-scale buyers should have been a matter of particular study and handling in an



The next step is to select the efficient independents

increasing number of cases. Recently the problem has passed into a new phase. It seems possible that lessons learned from dealing with these large customers representing new forms of distribution can be applied in that great field represented by the better type of independent stores. If the very small independent store is lagging behind, and if it represents a declining section of the possible business, probably a system of distribution set up with that type of store as its core should be modified.

If the small store business is doomed to be more and more incidental, it seems fundamentally sound to reorganize distribution on a basis which will not treat these small outlets as if they still were the central features of the distributing operation.

Granting a necessary recognition of the large buyers among the "irregular" outlets as a necessary modification of the sales plan, the next step is to select the independents which the public is choosing as its favored places of purchase and to help them do an efficient job.

Selling must be studied

THIS is the important change in policy which is involved in "selective selling." It is not a thing to be undertaken lightly. Probably there are manufacturers to whom the incompetent retailers still continue to represent a substantial aid in maintaining widespread accessibility for their goods. But many others still are carrying these inadequate outlets from motives which do more credit to their respect for custom, than to their ability to recognize facts and adapt their actions to changes in conditions.

The manufacturer of an advertised line which has public approval and which is properly priced can offer that which invariably will interest an alert merchant—a chance to increase the merchant's profits. With such an offering in his hands the advertising manufacturer is in a position to choose which retail outlets he will help in the fight for survival.

Much has been written lately about the advantage to these alert retailers of concentrating their stock investment upon lines most likely to be sold. Here again the manufacturer of an advertised line has a powerful incentive with which to approach chosen outlets.

Distribution for profit

A FEW manufacturers have grasped the significance of this paralleling of their interests with those of the alert independent merchants. As soon as the old shibboleth of "100 per cent distribution" can be forgotten and a common-sense desire to operate at a profit substituted for it, the advantages of selective distribution in many instances become strangely clear.

Like any new policy "selective distribution" calls for caution. It is a policy and not a panacea. In adopting it all that can be learned from regular sales operations, from manufacturers' branches, from every source from which facts can be drawn will be useful. The essential thing is for the manufacturer to find that small but important minority of outlets which is winning the favor of the consuming public and to identify his interests with theirs, making it mutually profitable to work together in the distribution of the manufacturers' product.

Unfortunately, concrete instances of successful application of this new conception of the distribution problem are not easy to cite. There have been many cases of great success, but usually a manufacturer who has achieved success in this fashion does not care to say much about it. The reasons for this reticence are few but good. A frank statement of the case is likely to make trouble with his remaining wholesaler connections or with those small retailers who, for various special reasons, may still be on his customer list, and with whom he may want to continue relations. Again, if he has found a means of greatly reducing distributing costs, while increasing distributing efficiency,

it may be to his advantage to let his competitors keep on doing business in the old, more costly way as long as possible.

Without quoting concrete experiences, therefore, the main steps in the process of adopting a plan of selective distribution may be listed roughly as follows:

1. Making a list of selected retail outlets representing a maximum share of the total business and a minimum number of concerns.
 2. Developing a staff of salesmen specially fitted to deal with these star customers.
 3. Making with these dealers such contractual or other arrangements as will insure maximum attention to the line and the best service from the manufacturer.
 4. In the contract and its subsequent operations exclusive territory, restricted representation, stock planning and control service, agency franchise, discounts, commissions, terms, and even financial aid may be included. In any case the basis for the transaction is the possibility of mutual profit.
 5. Care should be taken to let the small outlets and their incidental trade fit into the new picture without hostility, without terrorizing, but with a certainty of their diminution in relative importance—whether they eventually disappear or not.
 6. In all these arrangements due regard must be had, of course, for the restrictions on inequality of treatment imposed by law and decent ethics.
- The problem before the national advertiser
(Continued on page 72)



Advertised merchandise often serves the public as a standard of value

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"If we don't bite off more than we can chew, we may have a good bit to chew on"

Socialism—American Style

By BERNARD MULLANEY

Vice President, the Peoples Gas Light and Coke Company, Chicago

CARTOONS BY LOUIS FANCHER



IT IS safe to say that most of us would vote against Socialism at the polls if we had the chance. But as Mr. Mullaney points out, we are unwittingly encouraging Socialism through our lack of information—and our indifference. America is gradually but surely adopting all the things, he says, for which Socialism stands

AN ORGANIZED effort to remodel America fosters most of the municipal, state or federal proposals that drive us to the discussion of government in business. When any state establishes a public insurance fund, and many such funds have been established in the last few years, nobody becomes greatly excited about it except the insurance companies whose business will be hit.

Men in other businesses may be entirely too busy to notice the development or may see in the law the opportunity for political jobs for friends.

In itself the establishment of one public insurance fund may be unimportant. But, with the creation of one kind of insurance fund in this state and another kind in another; with the Government going into the barge line business here and into the fertilizer business somewhere else we have the various steps of what may be

termed the gradual socialization of industry; a creeping paralysis of socialism that has been making considerable progress in this country recently.

This gradual socialization of industry has been going on virtually unnoticed by those business interests that should be most concerned but it has not been unnoticed by various apparently distinct and separate organizations all of which, in fact, have interlocking managements and have their roots in the Socialist party and work continually to further its policies.

It is well understood and generally accepted, of course, that if the question of Socialism, with a capital "S," came to a vote it would be overwhelmingly defeated.

But we are not facing a straight vote on Socialism. A new socialistic technique has been developed and the mine-run citizen who is not "afraid of socialism" is easily led to entertain proposals for various moves in government ownership, each step seeming in itself unimportant but all contributing to a well defined plan.

Maybe if business men fully understood this organized effort and the purpose behind it they would not encourage the Govern-



Public utilities have felt the effects of gradual socialization

ment in doing the hundred and one things that never ought to concern the Government at all.

Let us take as an example of gradual socialization, the field of insurance.

Various insurance funds

POSSIBLY only those directly concerned understand that in the United States there are ten different kinds of state insurance funds; that one-third of the states provide state funds to carry workmen's compensation insurance and that seven states—Nevada, North Dakota, Ohio, Oregon, Washington, West Virginia, and Wyoming—have what are known as monopolistic or exclusive state workmen's compensation funds. Since 1905, eighty-two state fund insurance laws of various kinds have been adopted, exclusive of the Illinois State Institutions, Teachers Pension Retirement Fund or the Wisconsin dog-bite insurance fund. These are not my facts but those of David McCahan of the University of Pennsylvania, a widely known authority on insurance.

Insurance men know the evils of state-controlled compensation-insurance funds. They know the danger of having the board or commission that manages a monopoly of the insurance also adjudicate the claims. They know that the special Massachusetts Commission appointed in 1926 to investigate the operation of the workmen's compensation law came to the following conclusion:

However, there is one reason which we believe to be sufficient in itself to prove the undesirability of giving up our present system (private competition) in favor of the so-called Ohio plan (monopolistic state fund). The board or commission which manages a monopoly of the insurance and at the same time hears and adjudicates claims, tends to be less liberal in its settlements, more technical in denying compensation, more narrow in its determination of injury and, on the whole, less favorable and sympathetic to the employee.

But whether the inclination was toward being less liberal or more liberal the trouble would be there just the same.

The interference of politics in bringing about frequent changes in the officers, even among the subordinates, and the great danger of the backwardness of such funds in promoting accident prevention efforts are not unimportant. Insurance men know all the dangers of prejudice and discrimination that come about in politically controlled bodies—danger not necessarily of crookedness, but of inefficiency. They know also the unfairness of such competition since monopolistic insurance funds are in large percentage exempt from taxation and in many instances the expenses of the fund are paid. In Ohio, for example, the state pays all expenses except those for the newly created safety division. All but two of the compensation funds are indirectly subsidized by freedom from taxation.

But all these things which the insurance men know and to which men in other lines of business probably pay little attention do not obliterate the fact that, in the last year for which statistics are available, the premiums of monopolistic and competitive state funds totalled more than 40 million



Organized effort sponsors most schemes for putting the government in business

dollars—less than one-fourth of the amount of premiums received by private companies, but nevertheless more than 40 million dollars made unavailable for private business.

The activity in the insurance field is one evidence of the progress made by those who favor gradual socialization. The utilities and other businesses concerned more directly with public interests also have felt this gradual socialization. These things are going on in the provinces but they are no greater source of satisfaction to those who stand for a more extensive socialization of industry than are the advances made by the Federal Government into fields that should be reserved for private effort.

An example is the "laboratory experiment" in operating boats and barges on the Mississippi and Warrior rivers. This effort is directed by the Inland Waterways Corporation. As the Government voted 12 million dollars for

the effort, the corporation has not needed to try to make somebody believe that the stock is worth purchasing. It has paid virtually no taxes and in its six years of existence the corporation has shown an operating loss after depreciation of more than \$150,000.

I am not concerned with the bookkeeping of the Inland Waterways Corporation but rather with the manner in which those who would go further into the socialization of industry view this government venture.

Inland waterways—two views

IN THE June 18, 1930, issue of *The Nation*, appeared an article by Maj. Gen. T. Q. Ashburn, executive and chairman of the Inland Waterways Corporation. In this article General Ashburn described the favorable aspects of this government transportation company. After giving his conception of the corporation's finances he adds that he believes the Government can successfully carry on a business if the business is rightly organized.

In August the editor of *The Nation* published in his own magazine under his own name an article in which he referred favorably to General Ashburn's article saying:

"In cases where government operation seems necessary I commend the story of the Inland Waterways Corporation, an agency of the War Department for developing inland waterways, etc."

This citation of the story of General Ashburn is preceded by this:

"As immediate steps in this country I would recommend government ownership and operation of railroads, pipe lines and coal mines."

If, by way of digression, the merits or demerits of the inland waterways venture could be considered, my conclu-

sion would be that its operation and its purposes are, to say the least, confusing. In his annual report for the fiscal year, 1929, General Ashburn, under a subheading, "Getting the Government out of Business," says:

"We have encouraged and assisted every form of water transportation even in direct opposition to our own operations. . . . We may lose more and more freight as private competition increases, but if the time should come that the Government barges ride high and dry on the rivers with empty holds and their crews look at privately owned tows pushing through the stream laden until their decks are awash, then the Government's final success in business will be written when it is driven out of business. We can sell our towboats and barges for a song and rest on our laurels because we will have rehabilitated water transportation."

That is General Ashburn's picture of the situation after private competition has been skilful enough to drive out of business a corporation that gets its money from the Federal Treasury and is virtually free from taxation.

This up-to-date aspect of the effort to remodel America is no invention of mine. It emerges even more vividly from well documented disclosures incident to the Federal Trade Commission hearing at Washington. These disclosures have been assembled and published as "The Radical Campaign Against American Industry."

In this compilation you will find the new technique of Socialism—gradual socialization revealed by those actively interested. It is the old stuff or rather the new stuff—a barge line here, a power plant yonder, or state insurance somewhere else.

Possibly the best introduction to what is being done by those who are actively interested may be found in the "If we don't bite off more than we can chew" article, signed by H. S. Raushenbush and published in 1927 in *The New Leader* of New York City, which describes itself as the official Socialistic newspaper. Mr. Raushenbush was secretary of the Committee on Coal and Giant Power of the League for Industrial Democracy and an influential member of this league, which was organized in 1905 as the Intercollegiate Socialist Society. Norman Thomas, who was nominated for president by the Socialist Party in 1928, was executive officer of the League.

Socialists plan fourth attempt

SO IT is not difficult to understand the aims of the organization with which Mr. Raushenbush was connected when he wrote his article for *The New Leader*. Mr. Raushenbush said the Socialists had made three attempts at control. He mentioned first municipal plants, but he said, "Outside the large cities they can no longer compete in rates and efficiency with new plants being established by companies." Regulation by state commissions, he said, had gotten out of hand. The Federal Water Power Act of 1920 he regarded as a step forward. Then he added:

"A fourth attempt which I look upon as much more hopeful is the one which seeks to set up through government ownership at Muscle Shoals, at Boulder Dam and on the St. Lawrence, yardsticks by which the efficiency of private ownership under regulation may be measured. We cannot hope to take over the whole eight-billion-dollar industry successfully even if it were generally thought advisable to do so. But a scattered series of great generating plants selling their power within 300-mile radiuses might be expected to have a considerable influence on the extension of pub-

lic ownership to the transmission lines and the whole industry. If we don't bite off more than we can chew we may have a good deal to chew on in the coming years."

Socialism in small doses

IT WOULD seem that the "If we don't bite off more than we can chew" expression is one way of referring to gradual socialization. Certainly Mr. Raushenbush could not be classed as a man who is merely lethargic when it comes to approving socialistic advances, for in the concluding paragraph of his second article he said, "Our long-time aim is the abolition of the profit system for private use."

The impression might be gained that several organizations including the League for Industrial Democracy have sprung up independently in response to the urge of various groups of citizens. But, be that as it may, it should be understood that all these organizations are highly harmonious in purpose and that none of them is a stranger to the Socialist Party, which, in its 1928 convention stood for the nationalization of natural resources, a giant power system, national ownership of railroads, nationalization of the banking and currency system "beginning with the extension of the service of the postal savings banks to cover every department of the banking business." It is shown also that men prominent in one organization are prominent in others—an interlocking of interests.

Another organization that attracts attention to itself is the Public Ownership League. Carl D. Thompson, it appears, has been the guiding spirit of the Public Ownership League. In this organization we have the same old nationalization story. Mr. Thompson has a record of close connection with the Socialist Party. He was on the Party's National Committee in 1905, and was placed in nomination for president at the 1908 Socialist convention by Victor Berger.

The report of the Public Ownership League for 1927-1928 dwells on the extent of the League's work for public ownership, as appears from the following quotation:

"For ten years the Public Ownership League of America
(Continued on page 142)



Insurance men know the dangers of discrimination in state-controlled bodies



MEDALIST

For discoveries in mining of low grade copper ores, F. W. MacLennan, manager of Miami Copper, is awarded the W. L. Saunders gold medal for distinguished achievement

THEIR NAMES MADE NEWS



Here are their faces



EMPTIED WELL

Emptying wastebaskets for the New York Life proved a good starting point for T. A. Buckner. That was over fifty years ago. Today he is president succeeding D. P. Kingsley



CONTINUES

Another big packing house elects a president. In this firm the family name is still represented in management. Gustavus F. Swift, son of the founder, heads Swift and Co.



MEATS

For the first time since Armour and Company was founded in 1863, an Armour is not a high official. T. George Lee, once a stenographer, is new head, succeeding Edson White



FREE

The Wheat Pool farmers of Canada have a bit of grain accumulated, too. John I. McFarland, new Pool manager, is contributing his services gratis in trying to sell it



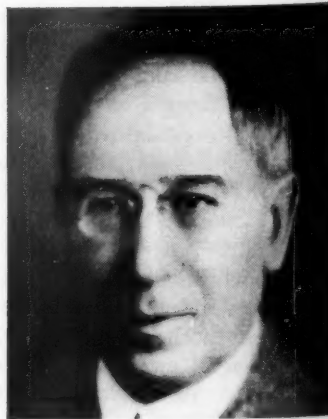
RISES

Long ago Thomas L. Smith drove a delivery wagon for Fleischmann Yeast Company. Today he is vice president of Standard Brands, of which his former company is a part



DOUGLAS MEDAL

Another man who wins a gold medal for discoveries in copper is W. H. Peirce, of Baltimore, head of American Smelting and Refining Company. He has improved smelting



ELECTED

The 18,000 members of the American Chemical Society chose Professor Moses Gomberg, of the University of Michigan, as their new president for the coming year



He would like to know Gertrude's impressions after a glimpse of southern Italy

Earning a Salary in Six Figures

By EDWARD HUNGERFORD

ILLUSTRATIONS BY
C. B. FALLS AND W. J. DUNCAN

★ **WHAT** does the high-salaried executive do to earn his pay? Take the railroad president, for instance. Is he a financier, a technical expert? What does he do all day long? We asked Mr. Hungerford, a man with a wide knowledge of railroading. He takes us back of the scenes and allows us to draw our own conclusions

IT HAS been said that the thing closest to the heart of John J. Prindle is the Tremont & South Western Railroad. This is not quite true. For instance, there is Mrs. John J. and his daughter, Gertrude.

But the South Western comes right after these two. John J. loves every mile of its long, slim body.

He has been with the road—"one of our employees" is the way he likes to put it—43 years. He began as a telegraph operator in a country station. Four years of that, then an assistant dispatcher, chief dispatcher, trainmaster, assistant superintendent.

On Gertrude's fourth birthday young John J. was superintendent of one of the

smaller divisions of the T. & S. W. Then a real division on the busy main line up through the mountains. A crucial winter or two with traffic at flood heights and the weather on its worst behavior and John J. rode out the storm to become general superintendent. After that he was an assistant general manager, then general manager. From there to operating vice president.

John J. grown and South Western grown, too. The one a six-footer of 190 pounds or more and the other a railroad with more than 8,000 miles of line. They made a good working combination. So good that John J. stepped, five years ago, into "the old man's chair."

This is John J. Prindle's record as you

would find it in "Who's Who." Also, though "Who's Who" does not refer to it, John J. is something of a duffer at golf but at poker he is away above the average.

But work is his best game. John J. loves work for its own sake and for the sake of the road.

Take him on any average working day. Up at 6:30; tub at 6:40; breakfast, alone, at 7:10, rarely earlier or later. At 7:30 his car stands outside his house and he is at his office at eight or before while the scrub-women still are in the huge untenanted place. The clerical force of Tremont & South Western does not come on duty until nine. John J. counts this first 60 minutes of the day as his paradise hour—free from interruption by phone or callers.

And so the day begins

RASKINS, his secretary, arrives soon after John J. Young Raskins is not by nature a joyous early riser. He abominates it. But it is part of his job and habit has made it the least bit easier to jump out of a comfortable bed at the insistent ringing of a clock. . . . Yet sometimes it is 8:30 before the big boss rings for him. . . .

This morning it is different. The buzzer is demanding him at just five after eight. He walks into the boss's sanctum, a small mountain of letters and papers in his arms, the first of an incoming tide that is to keep strong in volume until late at night.

"Busy day, Jim," says John J. "We've got to catch Seven up to Cransford for that Business Men's dinner tonight. . . . Busy day. . . . They all are. . . . Come on with it."

A letter atop the pile catches John J.'s eye. Gertrude's. John J. reaches for it, then puts it aside. It is a busy day but he would like to know Gertrude's impressions of her first glimpses of southern Italy.

Raskins is pushing two or three telegrams under his nose.

"Dillebour's wired that the motor bus situation is getting pretty acute down there. Says we've got to move mighty quickly. Otherwise, the L. & G. N. crowd—"

John J. grunts.

"Don't see why he has to bother me. He has all the authority he needs. Tell him again to use his judgment—if he has any."

Raskins makes a mark or two on Dillebour's telegram, turns to the next.

"Bad time at Cosmopolis last night.

The Number Three In-House was gutted out after midnight. Pretty near a total loss. If it had happened in the daytime, we'd have had to pay for a lot of freight."

John J. grunts again.

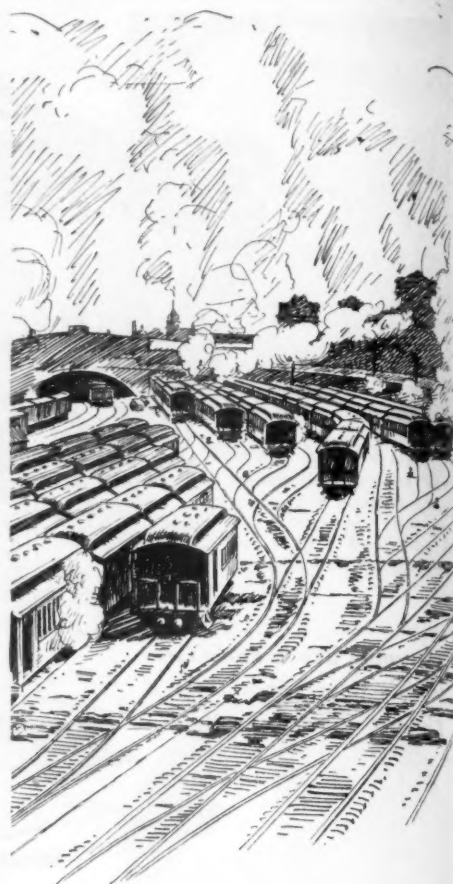
"I told Skelly a dozen times he'd get in trouble letting that freight-house yard get clogged the way he does. Next!"

"This one's much worse. Two preferences in a rear-end on the Seven Mile Grade—Post 361. A Santa Fe and 18 cars off the bank. And—"

"Any one hurt?" interrupts the president.

"Two dead. . . . Three others pretty badly smashed up. Old Tom Mahaffy, the engineman of the second train, was killed—instantly and . . ."

But John J. Prindle hears no more. Tom Mahaffy. Back in the old days, Tom and he had rail-



There had been a time when he mixed train orders a bit

eyes closed. There had been a time when he—John Prindle—pounding an old Morse key had mixed up train orders a bit. Twenty minutes of eternity. And then salvation through a miracle that had kept two heavily laden passenger trains from crashing into one another. But those 20 minutes never to be forgotten.

His fingers go toward Gertrude's letter. Then he catches the disapproving eye of his secretary and drops it again. . . . A pile of mail four inches thick is demanding his personal attention. Raskins can tell you the ordinary classifications of the boss's daily mail—begging letters asking for money or for special favors, letters requesting him to accept membership on this board

or that committee, invitations to speak at this dinner or that lunch, to give his thoughts over the radio; suggestions for the operations of his road. Sometimes a hundred letters in this first batch—rarely less than 50—and each of them demanding an answer. This broad sheaf of business stationery is only the cullings of a larger grist in the outer office.

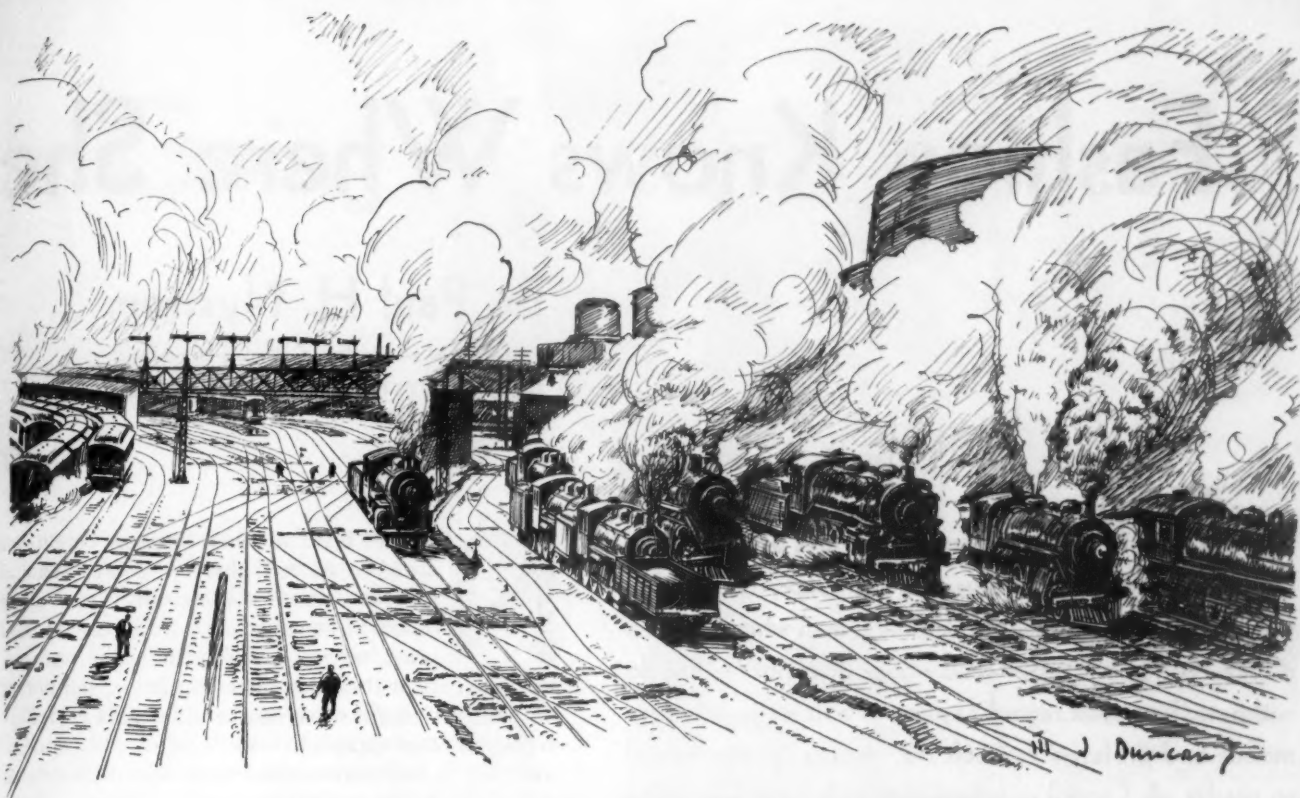
roaded together, had been, after a fashion, pals. He reopens his sharp gray eyes.

"Send a wire to his wife, if he has one. And my personal check for a hundred. What caused the wreck?"

"Investigation's on. Mixed up train orders."

Mixed up train orders! Again the old

or that committee, invitations to speak at this dinner or that lunch, to give his thoughts over the radio; suggestions for the operations of his road. Sometimes a hundred letters in this first batch—rarely less than 50—and each of them demanding an answer. This broad sheaf of business stationery is only the cullings of a larger grist in the outer office.



There is nothing about a railroad that John J. doesn't know, nothing too small to escape him as he rides the line in his private car

John J. has no more than the ordinary passion of a self-trained executive for detail. He tells, with fine gusto, of a certain president of a sizable eastern railroad, who used to write out, in his own hand, many of its trip passes, who, personally, stamped his "O. K." on every one of its annual thousands of vouchers and who passed on every pay raise of more than five dollars a month.

"Bill was certainly a stickler for detail," John J. says of him. "I really think the real reason he wouldn't take over the Great Midland that time is because it was too big a property for him to write out all the passes and stamp all the vouchers."

Kate Burns will get a reply

YET John J. is something of a detail man himself. One of his old-fashioned, whimsical ideas is that he will acknowledge with a personal note each of the thousand or more Christmas cards that descend on him each year.

And letters from stockholders. There are more than a million shares outstanding of Tremont & South Western, and, of this, Miss Kate Burns, the principal of the public school at Foggs Corners, owns just ten. Let Miss Burns ride up the main line just once, strike a train reasonably empty and write to the pres-

ident of her railroad about it and see what happens. Miss Burns, alarmed at her own audacity, really expects only a formal note of acknowledgment from the president's office of the T. & S. W., if, indeed, that much. Yet presently there comes to her a three-page letter from John J. Prindle himself. . . . He likes to hear from one of his fellow owners of the road. If he can help them solve their problems. . . . As a matter of fact, despite an increasing competition from automobiles, the road's passenger revenues are increasing. As a matter of fact, last year was one of the best three in the road's history in the passenger end of the business, and absolutely the best in the freight. Some illuminating figures are enclosed. Mr. Prindle hopes that if Miss Burns is again perplexed, she will not hesitate to write him. . . . Partners in the business. . . .

But the Wall Street broker, who writes to inquire when T. & S. W. is going to show some appreciation of its vastly increased earnings by sweetening up its dividend, gets no three-page reply. Despite a mention of the ownership of five hundred shares of the common he only receives a curt single paragraph.

"You know as much as I know about the future actions of our Board and the course of the stock," writes John J., adding, "and I know nothing."

In this case, a silent partnership. Nine-ten.

The first batch of the morning's mail finished and Raskins dictating the burden of it to one of his satellites in the other office, John J. sits alone. Gertrude's letter. He opens it and sets his big glasses astride his nose.

Putting on extra trains

HE GETS no further. Some one is standing at his elbow. Skelly, his operating vice president, who is never ceremonious about coming into the office.

"Well, Tom, what were you trying to do up on the mountains last night?"

Nothing sharp, nothing unreasoning in the question, but Skelly goes on the defensive. His information is still faulty but he tells all he knows to the president. Then quickly turns to another matter. Hardwick (the traffic vice president) wants to put two more passenger trains on the summer time-card.

"Too many of those frills already on the schedules," sputters Skelly.

"Nonsense, Tom. What you really don't like is that those trains are Hardwick's ideas—not yours."

That's a sizable part of John J.'s job—keeping peace in his official family. For the most part, his boys get along to-

(Continued on page 60)

Fashion Knows Where She

By Paul H. Nystrom

Professor of Marketing, Columbia University
DECORATIONS BY DON MILLAR



IF YOU'RE in doubt about reading this article, begin with the section on whiskers and the safety razor. You will gain information that no business man whose success depends on public taste—and whose does not?—can do without. If you still regard Fashion as a fickle jade whose moods and preferences result from whims, you will need to read it all. Careful merchants not only have learned to forecast coming fashions, they have devised a mathematical formula to help them in making these predictions



Bearded cavaliers would not get far with today's débutante, but grandmother thought beards becoming

NO MATTER whether business conditions are good or bad, there is always demand for some goods for consumer use, while others of equal quality, workmanship and price, serving precisely the same purpose, and given about the same sales promotion, sell not at all. This variance is often due to differences in design, in color or other appeals to taste. A satisfactory appearance and a fair approximation to current standards of taste is, clearly, one of the essential qualities of consumer goods. It is often the most essential quality. But whether or not it comes first, without it, excellence of construction, effectiveness, and price, important as these may be, will not induce people to become customers.

The design, color or finish that makes such a difference to consumers may be termed style. Consumers are not interested in all styles. They are, indeed, never interested at any time, so far as any particular line of goods is concerned, in more than a few styles. It is these particular styles that are so necessary a part of the goods that consumers buy. Style in this sense is as essential to goods as durability, convenience of use, or reasonableness in price. Whatever the reason, great numbers of people do like the same things. That simple fact is the basis of successful mass production and mass distribution. If everybody wanted something different, large factories, mass production, large-scale advertising, and modern systems of wholesaling and retailing would not be possible.

A second fact to be noted is that consumer taste is constantly changing. No matter how widely used any product may be, if its design is unchanged over a long enough period, it will grow tiresome. It will develop sales resistance and finally lose its market. This change in mass taste is sometimes slow, sometimes rapid.

When consumer wants change

IT IS important to keep in mind, first, that consumer taste at any time tends to group itself about a relatively few styles, and, secondly, that this mass consumer taste is constantly changing.

Illustrations of these truths are everywhere available. A few will be given here.

The first example is drawn from the millinery industry, but could as well be drawn from the shoe business, the jewelry industry, the food industries or the automobile industry. Every industry serving the ultimate con-

Is Going

sumer seems subject to both of these facts.

Shortly after the World War, a millinery buyer who, in previous seasons, had had success in handling a line of women's black silk sailor hats, bought two dozen of a well known brand in excellent quality and workmanship. They were placed on sale at what the preceding season had shown to be a good selling price. At the end of six weeks, stock was taken in the department and it was discovered that 23 of these hats were still on hand. Special display and advertising were then used to push these hats but to no avail. Next they were marked down to half and less of their first selling price, but still none were sold. Under pressure the salespeople sold two of them to unwilling customers but within a few days both came back.

A staple passed out

HERE were 23 women's hats of excellent material, well made, fresh from a manufacturer whose advertising appeared regularly in national magazines, clean, of good color, but, clearly, not wanted by that store's clientele. This little tragedy of business ended when the hats were given to a representative of the Salvation Army. What the Salvation Army did with those hats I do not know.

For years women's black silk sailor hats had been almost a millinery staple. Sales varied somewhat from season to season, but still there was always some call for them. In the preceding season this particular store had sold more than a hundred.

What had happened? Simply this, the demand for this particular style had passed out. Other styles, such as the cloche or bell-shaped hat, had taken its place. Material and workmanship were not in question. The manufacturer's label had not lost its power, because the public was buying the brand in other styles.

Men's goods are subject to specific demands and changes in taste just as women's are. The changes may be, and undoubtedly are, at present slower and slighter from season to season than they are in women's lines, but a comparison of the male dress of 1930 with that of 1910 or 1900, to go no further back, will show that men's tastes in clothes do change.



Men's tastes in clothing are constantly changing just as women's are

Consider the changes in men's collars in 20 years. Before 1910, most business men wore a straight or stand-up starched collar either opened or closed at the throat. About 1910, men's tastes began to change. Gradually a turned-down collar, still starched and stiff came into use. In the latter part of the war period the demand again shifted—this time from the stiff, starched turned-down collar to a soft unstarched collar. Shortly after 1920, men turned from a collar detached shirt to a shirt with collar attached. This new demand spread rapidly and nearly wrecked the manufacturers of separate collars. The demand for separate collars today is less than half of what it was before 1921.

Other changes in mass taste of men have affected such goods as talcum powders, toilet waters, hair preparations and shaving soap. In a few

years mass demand among men for shaving soap has passed progressively from the old-fashioned soap cake to shaving sticks, then to shaving creams and soap powders. At present a considerable group of men use an emollient that requires no water instead of the regular shaving soap.

Even shaving shows a curious history of changes of mass taste among men. Today the great majority of men are smooth shaven. We are now apparently in the middle of a period in which mass taste favors the smooth shaven face.

The cycle of razors

IT WOULD be easy to make the mistake of assuming that taste in this respect is permanent. Nothing could be further from the truth. In 150 years we have had three distinct periods in which men generally were smooth shaven. We have had two distinct periods when beards were decidedly in good taste and in high favor.

If you will recall your school histories, you will remember that the pictures of all the famous men of the Revolu-

tionary Period, that is from 1775 to 1800, including Washington, Franklin, Hamilton, Adams, Jefferson, were smooth shaven. Every man who amounted to anything in those days shaved regularly. Even trappers and hunters who spent most of each year in the forests were careful to shave as soon as they returned to the settlements. All of the popular actors, sportsmen, soldiers, sailors and the heroes of romance were smooth shaven. Smooth shaving prevailed not only in the United States but also in Europe.

Then came the period from 1800 to 1820. In these years men's tastes changed and beards came into fashion, not only abroad but in the United States. Again, if you will recall your school histories, many of the heroes of the War of 1812 and 1814 were bearded. Side whiskers were particularly favored.

In the late 1820's and during the 1830's and 1840's mass taste again swung back to smooth shaving. If you will think of our noteworthy men of the 1830's—Andrew Jackson, Daniel Webster, Henry Clay, John C. Calhoun—you will find that most of them were smooth shaven.

In the 1850's taste again favored beards and from about 1855 to 1890, American gentlemen as well as the men of European nations, grew whiskers. By 1900 men's faces again began to appear without beards, and today scarcely any men wear beards.

During the periods of smooth shaving, smooth shaven faces were believed to be the most attractive.

During the periods when beards were in fashion nearly everybody believed that bearded faces were most becoming.

Fashion effects on Lincoln

IT MAY be of interest to note the effect of these mass changes in taste as they affected our best known American, Abraham Lincoln. He was born in 1809. When he was 20 years old, in 1829, smooth shaving had become the fashion. Lincoln grew up with this fashion and all his early pictures show him beardless.

Abraham Lincoln was probably never much interested in style. He was said to have been careless in his dress and personal appearance. It is probable that he was not even conscious of any of the mass changes in taste which occurred during his time. When he was elected to the Presidency in 1860 he was still smooth shaven, although by this time a great many prominent men had begun to grow beards. Several members of his Cabinet were heavily bearded. It was not until 1862 that Abraham Lincoln began to grow a beard. Pictures of Lincoln may be dated as made before or after 1862 by the lack or the presence of whiskers.

What caused Abraham Lincoln to change his custom of shaving and to go with the fashion of men in 1862 in growing full beards? An eight-year-old girl, so that story has been told, was one of the many people who wrote to the President in the dark days of the Civil War. At the close of this letter, she wrote: "Dear Uncle Abe, I love you very dearly but I would love you still more if you had a full beard like my Uncle Henry's."

Lincoln showed this letter to members of his family and

even to members of the Cabinet. It was the occasion for many a smile but not long afterward, Lincoln began to grow a beard which he wore until his death.

In passing, it may be noted that what men have considered most attractive in masculine appearance has likewise been considered most attractive by women. Bearded cavaliers would not get far with the sophisticated debutantes of today, yet the bearded gallants of the 1870's and 1880's led the cotillions.

Fashion made the safety razor

CONSIDER the commercial opportunities that these great mass movements in taste have created. Smooth shaving brought with it the demand for good razors and particularly for safety razors. The safety razor has often been credited with making the present widespread vogue for smooth shaving. That is not correct for the safety razor was not placed on the market until 1903 and by that time the smooth shaving vogue was already well under way.

But the safety razor offered a distinct improvement in shaving, a convenience which appealed to the masses and so the safety razor appeared on the market at the psychological time to profit by a great rising wave in popular taste for smooth shaving. As a consequence the safety razor rode to great commercial success.

Consider what might have been the fate of the safety razor had it been placed on the market in 1865 or 1870 when nearly all fashionable men wore beards. It does not seem probable that the device would have stood any chance at all. In those days the demand was for hair oil and hair vigor. On the other hand, if the safety razor had been placed upon the market in the eighteenth century, when smooth shaving was a world-wide vogue, or again in the 1830's and 1840's when smooth shaving was generally followed, I see no reason why it could not have then been made a success.

The lesson for people in business is obvious. The big successes come from supplying what people want when they want it.

Don't make any mistake in your thinking about men. They are as subject to mass acceptance of certain specific designs and colors as women and their mass taste is also constantly changing. Such changes are, it is true, somewhat slower, but it may be well to recall that at some periods of history, changes in

taste among men have been even more rapid than among women. For aught we know, there is nothing to prevent possible repetitions.

What is this taste that arises in the individual but flows streamlike in great mass currents? The word, taste, has many definitions, but the one that applies here is this—taste is the sense of what is appropriate and harmonious, or beautiful. It is the inclination to appreciate some things rather than others. It is the liking or preferring of some particular quality over others. Taste comes into play wherever there is color, design or other application of art. Taste becomes a factor

(Continued on page 76)



Lincoln grew up when the smooth-shaven face was the popular style

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DAVIS PHOTO CO.

The Johnson-Carper Company of Roanoke, Va., produces \$900,000 worth of furniture a year with a force of only 170 workers

Small Industry Still Has a Place

By RALPH BRADFORD

Assistant Manager, Commercial Organization Dept., U. S. Chamber of Commerce

TO most of us the term "American Industry" summons up at once a picture of flaming furnaces and belching smokestacks—a vast array of enormous factory buildings, surrounded by a network of trackage and served by armies of workers.

Partly, no doubt, our attitude is a hangover from the flamboyant 'nineties, but more particularly it is because we see constant physical evidence of the great size attained by certain industries. We read advertisements of their products—big, double-page spreads costing thousands of dollars. In motor cars and on trains we pass the plants that make those products and see acres of roofs and a great massing of men and machines. We are impressed with bigness. To many of us, "industry" is visualized and expressed by perhaps a score of

great industrial names whose repetition has made them household words.

Out of all this has come a widespread notion that this is the day of big industry alone, that the small industrial plant is rapidly becoming one with Nineveh and Tyre, that it is no longer possible to engage in small manufacturing enterprise with any promise of success.

The fallacy of this notion is well

known to those who have paid any serious attention to our industrial history, but few of us are industrial analysts. We read the advertisements and look out of the car windows. In our minds "Industry" continues to be a more or less vague jumble of big names and big shops.

"It's a day of big mergers and combinations," we remark, "and heaven

★ **NEARLY** half of the industrial establishments in this country today employ less than 100 workers. That was one of the surprising things Mr. Bradford learned when he set out to find just exactly what effect mergers and rumors of mergers were having on America's many small concerns. He learned other things which you will find equally surprising

help the little fellow." Once in a while, though, the true nature of American industry is brought home to us in a detailed and tangible way.

Then we are usually amazed to find that it is not a thing of great mills and factories, but a vast network of smaller establishments with only here and there a great plant rearing its front across the pattern.

Many small industries

NOT long ago, for instance, I had occasion to visit that interesting aggregation of villages, towns and cities constituting the Borough of Queens, which, in turn, is one of the five great boroughs that make up New York City. I saw there a situation that would open the eyes of every person who accepts casually the notion that the small industry is done for.

I got off the subway at Queensboro Plaza, expecting to find myself in a typical outlying metropolitan business section, with its usual quota of retail establishments, restaurants, banks, cigar stands and barber shops. I found nothing of the kind. On the contrary, near the very heart of Long Island City

I discovered block after block and street after street of industries!

Many of these, of course, were large, occupying modern factory buildings several stories high. To my surprise, however, most of them were small concerns—sometimes only one story high and covering an ordinary building lot; sometimes smaller still.

Later, I became impressed with the fact that men were working inside; that trucks were being loaded and unloaded at side entrances, that products were being made there—many kinds and great quantities of products! I began to realize that this, too, was industry!

I took to asking questions—on the street, in some of the factories, and finally in the Queensboro Chamber of Commerce. Here is what I found out:

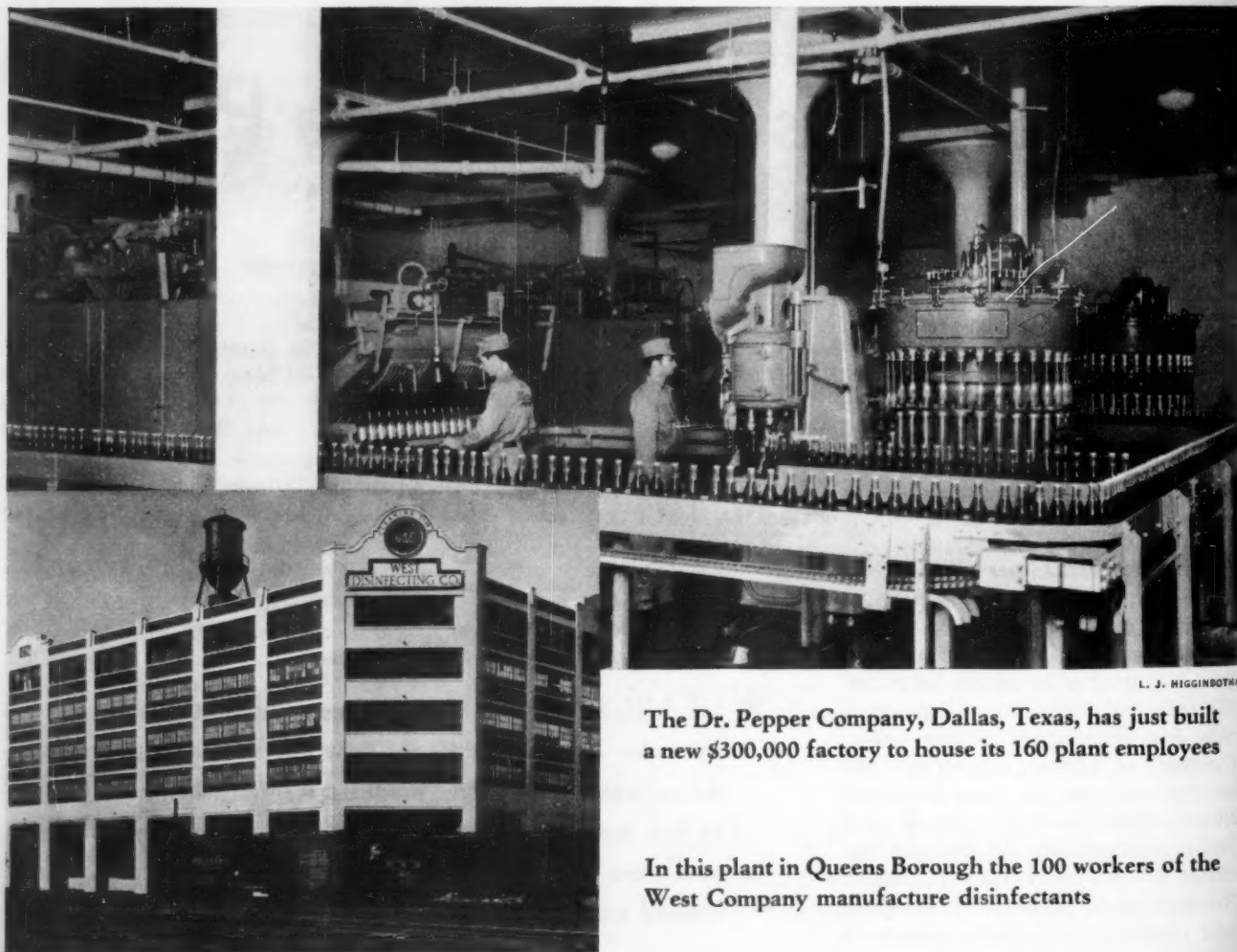
The Borough of Queens covers approximately 110 square miles on Long Island just northeast of Brooklyn. Roughly it constitutes a strip of land eight or nine miles wide, extending from the East River to the Atlantic Ocean. In this territory lie some 66 communities. In most instances the dividing line between them is wholly imaginary and political and only "old timers" know whether they live in one or the other.

The principal urban areas of the Borough are Long Island City which sprawls along the East River, and Jamaica which lies a few miles southeast toward Jamaica Bay. Between and around them are the score of towns and villages that house the population of the Borough, which is 1,067,000 according to the 1930 census.

Few are large plants

IN that Borough are 1,033 industrial plants of all sizes and kinds, (exclusive of laundries, cleaning establishments, etc.) employing approximately 54,000 wage earners, with an annual pay roll of 86 million dollars and annual products valued at 800 million dollars. That statement, of course, might be a paragraph from the current literature of any big industrial center. It is not the aggregate picture, but its break-down, that is significant. Witness:

Of these 1,033 plants, only 142, or about 14 per cent employ more than 100 persons. Getting into the lower brackets, I found that 328 plants employ fewer than ten persons. In other words, Queensboro has 563 plants that employ between ten and 100 persons.



L. J. HIGGINBOTHAM

The Dr. Pepper Company, Dallas, Texas, has just built a new \$300,000 factory to house its 160 plant employees

In this plant in Queens Borough the 100 workers of the West Company manufacture disinfectants



DALLIN AERIAL SURVEYS

Mention of industry at Wilmington, Del., brings thoughts of the du Pont factories. Yet, this section of the city alone has 22 industrial establishments and only three hire more than 100 workers

Now what of the merger bugaboo? If you will believe the man on the street, small industries are being "gobbled up" at a great rate by big industrial combinations—the small plants are growing fewer, and the big ones growing bigger! Is this true? Granting that many mergers have been effected, statistical records reveal that they have had comparatively little influence on the total number of plants. But how have they affected Queensboro?

Of the 563 plants just mentioned, the Queensboro Chamber of Commerce estimates that only a negligible number are branch plants owned by some parent or step-parent corporation. Of the 142 plants that employ more than 100 persons only 20 per cent are branches. This means that there are some 660 industries in this one locality that employ

more than ten persons and that are owned locally or at least are independent so far as affiliation with any large industrial group is concerned.

I visited a number of these Queensboro industries. A few of them had been established there initially, but many had moved across from Manhattan to take advantage of the lower ground rent.

I asked a good many plant managers, "Where is your principal market?"

In most instances it was the New York metropolitan area. Where the market was more remote, ground rent was still a major consideration, with proximity to trained labor as the next factor.

I visited a furniture establishment whose specialty is high grade custom-built interior finishings. It produces no standard designs but builds on special order from owners, architects and in-

terior decorators. The firm is 79 years old and moved from Manhattan a few years ago. It employs an average of about 75 highly skilled workmen. The market is almost wholly in the metropolitan area and the management attributes the factory's success to the personal and special nature of its services.

Similar in service is an electrical products concern employing an average of 125 men. Its market is in greater New York and the eastern states and it, too, attributes its success to the personal nature of its services, each piece of equipment being produced on special order.

In many of the plants visited I was impressed with the personal relationships which seemed to exist among the employees and between them and their executives. A lithographing concern em-

plants about 150 people, mostly highly skilled. Its process is a specialized one involving much chemistry and a multiple printing operation. As I waited in the outer office I noticed that the young woman who officiated jointly at the receiving desk and telephone board (and who was making out time cards in her spare moments) addressed by his or her first name each employee who spoke to her.

Familiarity and discipline

AS we went through the plant with its manager, who is one of the principal owners of the business, he spoke with easy familiarity to a number of the men, calling them by their first names; and with the same absence of formality, yet with entire respect, several of them addressed him in the same manner. Maybe this is poor organization, bad for morale, and conducive to dire consequences; but in this particular factory, which is reported to be prosperous and which has a large business, it seems to work excellently. The concern never has had any labor trouble, at least; and the system is worth mentioning here as involving some of those human imponderables that are possible in the small fac-

phasizes the fallacy of the idea that only big industry can succeed.

"But what," justly demands the critic, "does the isolated case of Queens Borough prove with respect to the industrial situation of the country at large?"

Aside from the obvious fact that such a large industrial community may fairly be taken as an index, let us admit that it proves nothing by itself. That was my own feeling—so I looked a little farther.

Take Wilmington. "Wilmington, Del.?" says the average person. "Oh—you mean the du Pont town!"

There you are again—a big name in American industry, closely associated in the public mind with Wilmington. Therefore, the widespread notion that the du Pont properties are about all there is to industry in Wilmington. Let us look. That's what I did, not long ago, in a visit to Delaware's metropolis.

Out of Wilmington's 294 industrial establishments, the du Pont interests own and control only six. Four plants out of the 294 employ more than 1,000, and 154 employ from ten to 100 persons. Sixteen employ from 100 to 200, and only 37 employ more than 200.

The Wilmington Chamber of Commerce has an interesting airplane photo-

are using. For purposes of careful analysis, obviously the relative number of plants in the large and small industry classification may sometimes be misleading, unless the relative importance of the plants themselves is indicated. Again, what may be considered a large plant in one industry may be regarded as a small plant in another industry. For instance, a certain plant is called the largest of its kind in the country, yet it employs only 125 workers. Another, said to be the second largest of its kind, employs only 50 workers.

Both these plants come under the head of "small" industries in the sense of this article, yet both are "big" plants with relation to their respective industrial lines.

But we are not here considering the relative importance of "small" versus "large" plants. We are not trying to make a case for the small industry as against the large one. We are merely trying to see whether there are any grounds for the notion that big industries are swallowing up the little ones. We are not concerned with big industry, nor with the relative importance of big and little manufacturing plants. We merely want to see whether or not the small industry, in a highly competitive age, and in a generation of mergers and consolidations, has made a case—and a place—for itself.

Statistical records

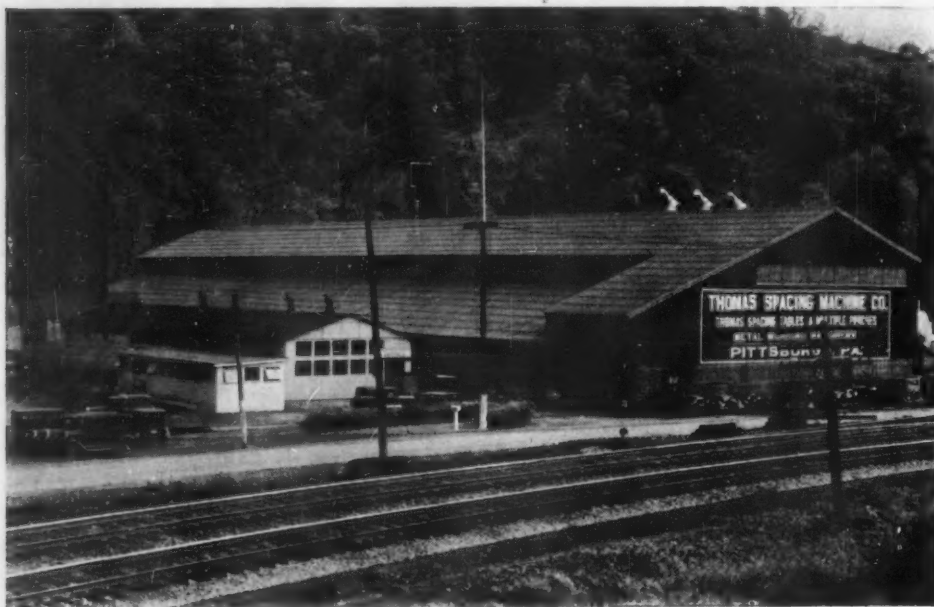
WE could get all this out of certain statistical reports—such, for instance, as the Report of the Committee on Recent Economic Changes, the Bulletins of the National Industrial Conference Board, the Reports of the Department of Commerce and the Census of Manufactures, and from other sources. It's all there; but it's frequently imprisoned in charts and tabulations and technical language. It's in books!

Let's take the long way, and have a look at some places—places where industry smokes and wheezes and rattles and battles away on its

own several firing lines.

Over yonder, for instance, is Pittsburgh—and when we say Pittsburgh we really mean Allegheny County, as many of Pittsburgh's industries are outside the city lines. This district, then, has 2,170 manufacturing establishments. Of these, as nearly as can be determined,

(Continued on page 128)



Pittsburgh has its share of small factories. This machine company does a half million dollar business with 100 workers

tory and can seldom be realized in the big one.

Space will not permit description of many visits to individual factories. No doubt some of these concerns are having their own financial problems, but the whole situation is significant of the important place small industries occupy in the American industrial scheme and em-

graph of a section of the city. It includes 22 industrial establishments of all sorts, and one municipal construction job. Of the 22 industrial plants, only three employ more than 100.

Right here, of course, is where some clever person will catch me neatly. Let me make clear at once that I recognize the limitations of the comparisons we

Business Plans Two Great Meetings

Leaders to study and discuss causes and cure of depressions



TWO important meetings of business are being planned for this spring. The Chamber of Commerce of the United States—with representatives from every section of the country—will hold its Nineteenth Annual Meeting in Atlantic City from April 29 to May 1. Business leaders from 46 foreign countries will assemble in Washington for the Sixth Biennial Congress of the International Chamber from May 4 to 9.

This is the first time the International Chamber has held its Biennial Congress in the United States, although this Chamber was created at a conference in Atlantic City in 1919. For the first time also, the world congress will follow the meeting of American business.

The National Chamber will look into the causes and effects of the present widespread business depression. It will consider also the problems resulting from the general recession—unemployment, lagging consumption, industrial lethargy, uncertainty. It will approach these problems, however, not as an immediate emergency, but in the larger perspective of what can be done to prevent a recurrence. If business can be kept on an even keel, how shall we go about accomplishing it?

The topics listed for discussion at the meeting will center on the two questions: "What can business do to promote stability in trade and industry?" and "What part may Government play to help achieve this stability?"

A group responsibility

IT IS recognized that the responsibility of business is a collective responsibility. If business is to exercise a greater measure of control over its operations to avoid waste and to eliminate wide fluctuations, effort must be directed to a common purpose through organization. The problems of business concern every type of business association, as well as

every individual business man. The possibilities of stabilizing business will be considered in great detail at one of the general sessions of the National Chamber's meeting. Business leaders who have studied the question will discuss it both from the viewpoint of business as a whole, and from the viewpoint of production and marketing.

Another of the general sessions will consider the part Government may play, with particular reference to government policies in relation to production and marketing.

Attention will also be directed toward the international phases of restoring and maintaining business equilibrium.

There will be five general sessions, 11 group sessions, an annual meeting dinner. The men on the National Chamber's program this year have been chosen not alone because of their prominence in business but also because of their practical knowledge of the present situation and conditions to be met.

The International Chamber will take up the discussion where the National Chamber leaves off.

The Washington meeting will examine world trade from an international viewpoint and consider ways of hastening better business conditions through united world effort.

A feature of the congress will be the report of a special committee of the International Chamber which is now completing a survey of the economic relations between the United States and Europe. This committee has made a detailed study of the important shifts in trade currents between the two continents since the beginning of the twentieth century. The report will undertake to show for the first time authoritatively

and impartially what direct and indirect economic activities of the two continents have been mutually complementary and helpful, and what activities may be defined as competitive.

A second object of the committee will be to show how and why greater economic progress has been made on one or the other continent and how similar successful methods and practices might be adopted elsewhere.

Europe's methods vs. ours

THE principal contrasting aspects of general economic practice in Europe and in the United States are now being thoroughly examined by the International Chamber preparatory to the meeting. Comparative production costs and the elements that enter into their determination; mass production as against small-scale production; high versus low wages; the regularization of employment; modern distribution methods, and other contrasting features of European and American practice are being subjected to a critical study, the results of which will be discussed at the congress.

Since its creation in 1920, the International Chamber of Commerce has been making steady progress toward the realization of the major purposes for which it was formed—to remove the economic causes of international conflict, to reduce the barriers which hamper the development of international trade, and to realize on a permanent basis the international cooperation necessitated by the growing economic interdependence of the modern world.

The International Chamber will look the economic facts in the face at its congress in Washington, regardless of national advantages or disadvantages. It will not interest itself primarily in the cause and effect of the current world depression, but, rather, in the long-time development of sound European and American business.



Athens summoned Ulen & Company of Lebanon, Ind., to build the marble-faced Marathon Dam

The World Depends on America

By LEO PASVOLSKY

Author of "The Economics of Communism"

★ **AMERICA** led the second industrial revolution. As a result all countries envy our standard of living. They seek to borrow our brains and our methods. They look to us to end the economic depression. They watch us expectantly. Are we going to prove worthy of the responsibility?

IN THE economic depression which has overtaken all countries, it is to the United States that many people everywhere turn in full expectation that leadership in recovery will come from this side of the Atlantic. The experience of the whole post-war period lends strength to this expectation, for, since the end of the war, America has been by far the greatest single influence in the economic life of the world.

America has given the world its second industrial revolution.

The first industrial revolution was Europe's contribution to the world. In the eighteenth and nineteenth centuries, Europe was the pioneer in introducing industrial machinery. In an incredibly short time the whole color of civilized life changed.



Paris, one of the cities where movies demonstrate U. S. products

Yet even this rapid transformation seems slow compared with the progress made later by the United States. Having absorbed what Europe had to give, America, especially since the war, has gone ahead with new ideas and methods of production, consumption, and distribution—especially the first—which have revolutionized American life and have gone far toward introducing a similar change into the life of other countries.

Our influence has spread

A FEW instances will show how widespread and significant has been America's influence in coloring the world's ways of living.

This influence of America has spread through many channels.

Personal contacts have played an important rôle. Foreigners visiting the United States have carried back with them enough knowledge of, and enthusiasm for, the way some things are done in America to exert a considerable influence at home. American travellers have gradually brought about, largely through their demands and complaints, the creation in other countries of facilities such as exist in

America, and these facilities, once provided, have become a part of the consumption-satisfying apparatus of the foreign countries themselves. In many remote corners of the world shops are now handling more and more articles of personal, household, or office necessity or luxury of the kind found in the United States.

American movies have exerted a good deal of influence. More than a quarter of a billion feet of American motion pictures are exported annually. The scenes which these films present to foreign eyes do not, to be sure, always give a correct impression of life in America. They do, however, arouse curiosity which translates itself into wants.

The commodities to satisfy these

ever-increasing wants have not, of course, been supplied even to a considerable degree by actual exports from the United States. Although American exports of manufactured goods have expanded considerably, this expansion lies in the fact that, since the war, the United States has assumed a dominant position as an exporter of machinery.

American machinery world-wide

JUST before the war, the United States was third in this field. Germany was first and Great Britain second. Of the value of machinery exported by these three countries in 1913, the American share represented but 27 per cent. Fifteen years later, the value of the machinery exported by these same coun-

tries had doubled. Of this increased amount the American share was 42 per cent. Germany had moved to second place, and Great Britain to third.

The relatively faster increase in American exports of machinery has not been due to the inability of either Germany or Great Britain to expand their production. Rather it indicates a marked preference for American machines. Even Great Britain and Germany import much American equipment.

Of the American machinery exported, industrial machinery has shown by far the greatest expansion. It is the finished product, comparable to that made in the United States, which is acquiring vogue in the world, and, naturally, American machinery is best suited to produce this product.

The American finished product has one characteristic which accounts for a good deal of its growing vogue. It is sufficiently cheap to be accessible to large masses of people and sufficiently good to represent an ample money's worth. Its marketing is arranged to permit its wide dissemination. It is thus a democratic product.

This characteristic of the American finished product, the result of mass production and mass distribution, is one of the essential features of the second industrial revolution.

Some of the consequences of the processes set into operation by this revolution have given rise to a great many misgivings here and abroad. A good example of this is found in the writings of the French econo-



The thrust-bearing bracket of the 84,000 horsepower generator General Electric is building for Russia

In far off China American products are known by name almost as well as at home



Now Comes the Butcher Shop Without a Butcher



The new butcher shop has neither chopping block nor sawdusted floor. It looks, rather, like any other smart shop

LONG AGO the drug store without drugs became common in large cities, but today the drugless drug store has a new brother—the butcherless butcher shop. In Evanston, a Chicago suburb, there has been introduced a butcher shop whose stock is entirely in packages.

It has neither chopping blocks nor sawdust floors. Its appearance is that of any fashionable shop on Chicago's Michigan Avenue. There are carpets on the floor, easy chairs, tables with shaded lights. The meat is displayed in refrigerated cases. The cuts are in attractively colored cardboard boxes with cellophane tops. Anything from two chops to a four-pound chicken may be contained in a box.

The shop is popular, but not because of its novelty alone. It also offers speed. There is no controversy with the butcher; you simply tell the attendant which cut you want. Then again there is no waste. The meat is inspected, graded, cut, trimmed, weighed and packed at the packing house. Prices, according to reports, are about 20 per cent lower than in the ordinary shop.

The Evanston shop is being operated by the General Markets Company, which owns and operates more than 80 shops in and near Chicago. If the new shop continues to operate successfully, the Company plans to replace their old-type shops entirely. It is planned also to install the new-type shops in Indianapolis, Detroit, and St. Louis.

Perhaps we are coming to the day when the butcher shops of the chopping blocks and sawdusted floors will be remembered only as stepping stones to something more in harmony with our times.

DON SAMSON

mist, Professor André Siegfried. Professor Siegfried holds that increasing mechanization, as it has developed in the United States, is bound to result in perhaps temporary but nevertheless heavy unemployment. Much more important, he considers, it kills individualism, forces upon society "a steady leveling process," and reduces the bulk of the workers to "a mediocre mass." On the other hand, "the reward of this standardization is unquestionably great comfort, and no one will deny how greatly this increases a man's material dignity; in fact, no achievement of our times seems so important as this."

Although he still hopes that Europe may remain a region whose typical industries will continue to "depend on the individual touch and aim at the highest standard of quality and originality in production," he warns his fellow-Europeans that "if, in the future, quantity is to become the ruling factor, we shall either have to make a complete change of tactics or risk commercial annihilation."

Mass production in Europe

THE actions of the European business men during the last few years clearly show that they, too, see the alternative. Only they have fewer doubts that quantity is already a ruling factor. They have been changing their tactics.

One of Professor Siegfried's countrymen, André Citroën, largest automobile producer in Europe, recently called attention to the fact that in the United States it takes an average of 70 worker-days to produce an automobile, while in France the average is 300 worker-days, or, if the output of the Citroën factories is excluded, 500 worker-days.

There are two important factors here—first, the difference between the efficiency of American and French production, and second, the difference between the efficiency of the Citroën factories and the rest of the French automobile industry. This second difference, and, naturally, the first—M. Citroën ascribes to methods of production. He says:

"Since we have this outstanding example of what has happened on the other side of the Atlantic, can we not take advantage of these methods? I have tried it successfully."

This attitude, fast gaining adherents, results in a spread of the view that mass production has come to stay, and that there are advantages in joining the procession early.

In M. Citroën's opinion, the factors that make up the American methods

(Continued on page 138)

No Business Can Escape Change



NEW MACHINES, new methods are constantly being introduced, constantly supplanting the old—and tomorrow themselves will give way to still newer and better ways and means. Every such change in the ever-shifting panorama of business makes competition, makes opportunity. Here are a few of the new things that are coming upon the business scene

ARC-WELDING has stepped out of the laboratory, onto the job. A fourteen-story office building for the Edison Electric Illuminating Company has been field welded in Boston. The new building was surrounded by hotels. Noisy riveting would have been an annoyance. . . .

EXPERIMENTAL sections of brick roads on iron base have been laid at Springfield, Ill. The iron base keeps the brick smooth. Brick and steel men are watching the experiments with interest. . . .

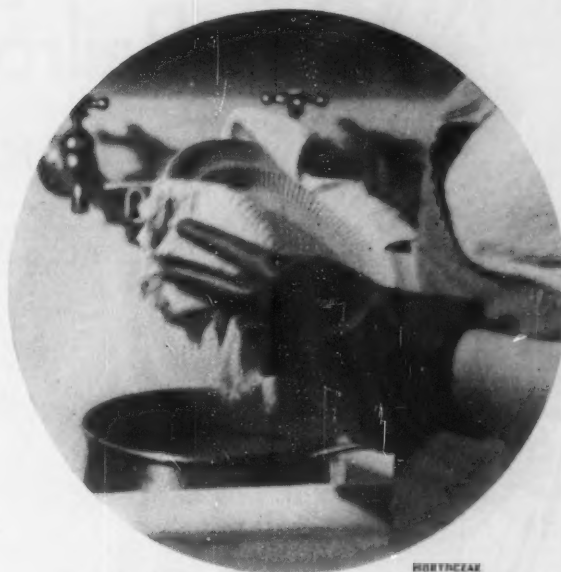
SEAMLESS STEEL tubing is being used in Germany for structural shapes in small apartment buildings, theaters, additions. Sections three or four inches in diameter are welded to girders as supporting members. It is also being used for scaffolding. . . .

GERMAN schoolboys are swinging their heels under school-room chairs made of steel, with underframes of tubing. Chromium or nickel-plated tubing on furniture is brightening modern apartments. . . .

MANUFACTURE of "knock-down" furniture is growing in this country. Nuts, bolts, even hooks and eyes, are used for assembling small articles. A freight car may hold as many as ten times more unjointed chairs than the ready-for-service kind. . . .

NEW gypsum products include wall board and lath which can be bent or folded to conform to structural needs. Also acoustical ducts which prevent transmission of sound through ventilator shafts, and acoustical wall board. . . .

THE *Seapro*, novel British ship, will cruise African coasts. Her fleet of motor boats will bring in 60 to 100 tons of fish a day. On the spot she will turn fish into cattle, pig and poultry feed, medicinal and lubricating oils. Edible varieties will be tinned, iced. . . .



Scented rubber is expected to widen the use of rubber products among housewives

RED RUBBER bands which smell like lilacs; black rubber coasters for table glasses which smell like new-mown hay. These were some of the exhibits seen at a recent meeting of the rubber chemists of the American Chemical Society in New York. Industrial aromatics are used to blend with the unpleasant odor of rubber products (caused by chemicals used in the manufacture and not by the rubber itself) to form new and agreeable scents. . . .

THE first self-unloading bulk carrier to ply American waters other than the Lakes is the steamship *H. F. DeBardeleben*. Her 140-foot conveyor boom will help extend Birmingham coal markets to the Gulf Coast and Havana. . . .

A PROCESS for casting concrete objects in porous plaster molds has been patented. The mold absorbs most of the water in the concrete. Result: a concrete object of great strength. . . .

PACKAGED coal is with us. A sixty-pound "scuttle-box" has been devised by the Colorado Fuel and Iron Company. Filled by coal dealers, they are distributed through grocery stores, filling stations. . . .

INSIDE frosted lamps may be had now in 150, 200, 300 and 500-watt sizes. Heretofore clear glass only was used. . . .

IN TEXAS and South Carolina cotton roads are being tried. Cotton cloth, treated with asphaltic oil, is laid over a graded dirt highway and surfaced with sand or gravel. . . .

Cities Must Give Railroads a Fair Break

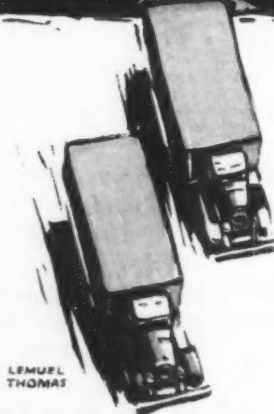
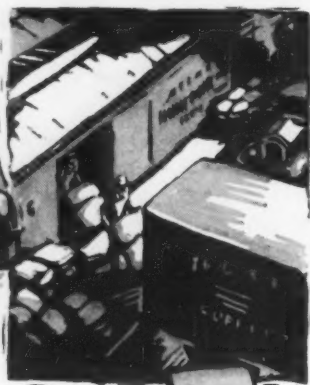
By H. VAN R. CHASE

General Manager, New Orleans Chamber of Commerce

DECORATIONS BY LEMUEL THOMAS



COORDINATED transportation, employing ships, railroads, or trucks as each meets the need best is perhaps the answer to our present problem, writes Mr. Chase



Whatever the solution, railroads have a place in American business. Mr. Chase suggests a plan by which your community can help determine just what this place is. In fairness to business men, this point should be settled

LEMUEL THOMAS

TOO often we think of the railroads as inanimate corporations, instead of in terms of several million American stockholders; as employers of hundreds of thousands of workers, and as the basis of hundreds of millions of dollars of securities.

We forget that many American communities are the economic offspring of the railroads—brought into being by the two rails of steel which turned deserted wastes into farms and centers of commerce and industry. For years the railroads have been absolute, supplying the nation with its transportation needs. Today they are no longer absolute. They need our support and cooperation, not only because of what they have been to us in the past but because we still need them and will continue to need them.

It is apparent that, if a high standard of living is to be maintained, the railroads must continue to yield a fair profit to the millions who own railroad securities; they must continue to supply approximately three billion dollars of the annual American pay roll; they must continue to pay more than 400 million dollars a year in taxes, and their locomotives must continue to consume more than 350 million dollars a year in fuel. American business leaders cannot afford to sit idly on the sidelines and watch the 26 billion dollars invested in railroads drift toward a frozen condition.

"But," people ask, "what can we do to help the railroads?"

A superficial answer is that we must give them a fair break. I don't believe we are doing that now. For instance, American communities on the one hand are demanding that the railroads spend millions of dollars for new terminals, elevated tracks, protection of grade crossings and for community activities from many of which the railroads benefit only indirectly. On the other hand, these communities are building airports to encourage aeronautical competition; building highways to facilitate competition by motor freight companies, buses and the private automobile. They are clamoring for the development of waterways and are obtaining fuel in increasing ratio through pipe lines.

Change in the transportation group

CERTAINLY, such a condition cannot fairly be expected to continue. I do not say that the railroads should discontinue improving their facilities or cooperating in community ventures. Neither do I maintain that we should slow up highway or waterway development. But undoubtedly the day has come when American communities must recognize that a change has taken place in our economic family. I shall not

Chevrolet passenger cars are priced from \$1475 to \$1650—below is shown the Standard Coupe, 1931



**In passenger cars or trucks
the great American value**



Chevrolet truck prices, \$255 to \$605—above 1 1/2-Ton Truck on 131" wheelbase with Stake Bed, \$710



If your firm uses automobiles or trucks, investigate Chevrolet.

Today's Chevrolet line includes twelve new passenger car models, many of them especially well-adapted to field work. The commercial group is composed of a sedan delivery, and three capable trucks. Six-cylinder 50-horsepower engines, sturdy full-length frames, long semi-elliptic springs, fully enclosed brakes and many

mechanical improvements are general throughout both lines. Every car and truck is an outstanding example of high quality at low cost.

One of Chevrolet's 10,000 authorized dealers is within easy reach, ready to co-operate with you. Let him show you how well Chevrolets are built—how capably they do their work—and how consistently they live up to the slogan "for economical transportation."

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN. All prices f. o. b. Flint, Michigan, and Indianapolis, Ind. Special equipment extra

NEW CHEVROLET SIX

The Great American Value

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attempt to say just what form this recognition should take. I believe, however, that this discussion may help clarify our view of the problem.

When we talk of transportation we have in mind "the means of assembling our raw material and fuel at a maximum of speed with a minimum of cost." We also must consider "regularity of service." We must have safety and, in passenger transportation, we must have comfort.

Now the problem seems to be to determine to what extent the railroads can deliver these essential factors as well or better than other agencies.

Let us examine these other types of transportation. Highway transportation differs primarily from rail transportation in that the right-of-way is maintained entirely by public funds. There are three types of highway transportation. The first includes automobiles as carriers of passengers. They have taken much passenger business from the railroads. Automobiles give us a freedom of movement that trains cannot give. They enable us to get around at our destination. In automobiles we can start and stop when we please.

Luxurious trains

IT SEEMS to me that about the only thing the railroad can do to meet this competition is to establish some sort of frequent motor coach service. For the long hauls they will naturally have to maintain the most comfortable trains.

This is no easy assignment because, as trains are made more comfortable, they become more expensive. Perhaps the conclusion would be fewer but more commodious trains.

Comparing transportation on highways with transportation on railroads, the factor of safety is without doubt in favor of the railroads and probably always will be.

The comparison of bus transportation with rail transportation is somewhat closer because the buses are in commercial operation. It is, therefore, obvious that they should observe the same rate regulations as railroads. They should be operated under franchises requiring them to give regular service of a definite type. It is logical that the buses be more carefully regulated from the standpoint of safety. There is certainly much to be done in this direction.

Now what do the buses give us that the railroads cannot? I suppose it is that freedom of movement characteristic of the private automobile. I suppose time alone will show how the actual cost of passenger transportation in buses compares with passenger transportation in trains.

If, within certain limits, it is found that bus transportation costs less, then perhaps the railroads, as recognized transportation agencies, should be permitted to provide this type of service.

Some of our railroads are already experimenting in this direction. Perhaps, it would be logical to use buses in de-

veloping new territory; in reaching communities not on rail trunklines, as feeders, and perhaps for short haul business.

The third type of highway transportation, the motor freight service, is the most difficult to analyze. Its chief advantage, of course, is in door-to-door pick-ups and delivery. This is perhaps a refinement of service which the railroads can undertake further.

Unquestionably, the cost is governed by the radius over which the trucks operate. It will be generally granted that, within a reasonable limit, trucks can deliver and collect merchandise more cheaply.

What these limits are we will learn only by actual trial.

Motor freight transportation, naturally, should be subject to proper supervision; to regulations to prevent unfair competition.

By all means, these operations should be governed by stringent safety regulations, primarily to protect passengers in private automobiles for whom the highways are primarily intended.

These regulations should govern the loads to be carried, restrict the use of trailers, and see that the equipment meets certain standards.

Speed, of course, is so closely related to safety of operation on highways that it is difficult to say just to what extent the motor freight services can compete with the railroads on this basis.

Through gasoline and licensing taxes, motor transport is, of course, paying to some extent the cost of highway maintenance. It is logical that those who use the highways

as common carriers should be made to pay a larger share of the cost of maintenance. I believe there is no doubt that progress is being made in this direction.

Just how far our farmers and other private parties will go in delivering their products to market, and in collecting their raw materials it is difficult to say. Obviously, there is a certain definite limit over which they cannot operate their own delivery systems with profit. It seems logical that some educational work should be done to show what this limit is.

Water transportation is cheaper

MANY factors enter into the consideration of waterway transportation. We know that much less energy is required to move a given weight a given distance on water than to move the same weight the same distance by rail. Therefore, I think it will be generally conceded that the cost element, under certain limitations, favors water transportation. Regularity of service is better provided by the railroads.

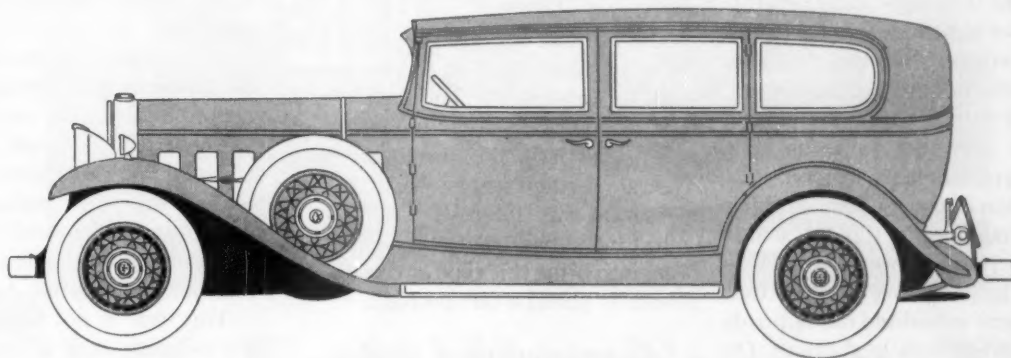
Here again, we have the matter of freight being transported over free rights-of-way as against the private rights-of-way of the railroads. It would seem evident that water transportation is better suited for the movement of certain commodities whose low cost makes speed relatively unimportant. Perhaps, in the final analysis, the railroads will be



Many American communities are the economic offspring of the railroads which turned deserted wastes into farms and centers of industry



For more than thirty years, Cadillac has striven constantly to build as finely as it is possible to build. Throughout all this time, no effort has been withheld if it offered so much as promise of a finer, more desirable Cadillac. This constant striving for perfection has brought to Cadillac an unusual record of achievement, but never has it borne such fruit as in today's distinguished Cadillac family.



From every standpoint, the new Cadillac V-8 is a more luxurious creation than even the most illustrious of its predecessors. To its new beauty and styling has been added remarkable new brilliance of performance. And its economy of operation sets an

entirely new standard for a truly fine automobile. Price range \$2695 to \$3795, f. o. b. Detroit. Shown above is the V-8 7-passenger Imperial. Coachwork by Fisher and Fleetwood. The liberal G. M. A. C. payment plan is recommended to all purchasers.

CADILLAC MOTOR CAR COMPANY, DETROIT, MICHIGAN
Division of General Motors

C A D I L L A C V - 8

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permitted to provide this type of service if they see fit to do so and if it is proven that it is less expensive for certain commodities, and as waterway improvement makes more regular service possible. I think we may admit that the Government will never stop waterway development.

As with the other types of commercial transportation, charges for the service should be carefully regulated.

A choice of service

IF THE railroads were permitted to provide water transportation, they could then offer their patrons the choice of low cost service on the waterways; or faster, and perhaps more regular, service on the rails at a higher cost.

Air transportation offers a problem so different that a solution is relatively easy. Already rail and air transportation have been coordinated in a number of instances.

The possibilities of pipe lines as common carriers are so restricted that I think they need scarcely enter into this consideration, except to point them out as another form of competition making the path of the railroads more difficult.

Now let's look at the railroads in the light of what we have seen. We have seen that the railroads must operate over their own rights-of-way; they must maintain terminal facilities, stations, yards, roundhouses; rolling equipment.

The public has been trained to expect much more from the railroads than from other types of transportation.

The question of government subsidies has been brought into this discussion many times. I feel, however, that it is aside from the point. We are told that the Government subsidized the railroads in their beginning with land grants. On the other hand, the railroads answer that they have paid back the Government many times by hauling government business at half-price or free; by paying taxes; and by increasing values in the territories they serve.

Naturally, highway transportation is being subsidized through the provision of free rights-of-way. Although on the other hand, motor transportation is paying a good part of road maintenance and construction costs through taxes.

Airway transportation is being subsidized by mail contracts and by the provision of certain facilities.

Waterway transportation is being subsidized by the provision of rights-of-way.

Ocean transportation is being subsidized with mail contracts.

However, no railroad man with whom

I have ever talked has suggested that the Government should stop aiding highway construction; or stop the development of waterways; or refrain from aiding in the establishment of an American merchant marine; or should not encourage the development of airways.

The Government operation of barge lines on the Mississippi and Warrior systems long has been a bone of contention. We all feel that the Government should not go permanently into business as a common carrier, but we must recognize that the Government is conducting a testing laboratory to find out just to what extent inland waterways can be profitably operated.

The recent establishment of the private barge line between New Orleans and Cincinnati, employing \$3,500,000 of individual capital, indicates that the Government is succeeding in its experiment.

Now let us see generally, where our discussion has taken us.

Perhaps the day is not far distant when a traffic manager will say to his railroad freight agent:

"I have on my warehouse floor six bags of coffee which I want delivered to a certain address in a town 100 miles inland from Memphis, Tenn. I want the coffee to be carried by barge to Memphis."

The railroad will get the coffee from the warehouse; put it on its own barges; deliver it to Memphis; and then, over its own tracks, carry it to the destination, and deliver it to the purchaser's door. The rate for this service would be commensurate with the cost.

Just what will have to be done to bring into being this type of coordinated service is perhaps our problem.

Commission must regulate

THE Interstate Commerce Commission is the agency upon which we rely to maintain freight rates at a level which will provide the railroads with a reasonable return, prevent unfair competition and provide shippers with the lowest reasonable cost for service.

It is probable that the scope of the Interstate Commerce Commission's activities must be broadened to cover these new types of transportation activities.

It seems to me that we must depend on such an agency as the Commission to coordinate transportation services so that each will be able to give us the service it is capable of delivering. In working out this coordination, it may be logical to consider the railroads as general transportation agents and expect them to deliver whatever type of trans-

portation the people demand. Or perhaps it may be more practical to recognize each type of service as an integral part of the whole and expect all of them to cooperate in a linking of services.

The communities and the community organizations can help in one definite way at least. Here is a suggestion. It may have been tried somewhere, but it can be tried again and more generally.

Form a local Transportation Survey Commission, made up of one larger shipper, whose commodities move through import and export channels; one shipper whose freight moves in a narrower area; one railroad man; one inland waterway man; one motor freight or bus operator; one steamship operator; one representative of the motor league or club and one man who is interested in aeronautics; with a chairman who is a community leader.

A report on transportation

IT MIGHT be well to let the chairman and the two shippers be designated as a sub-committee to draft the committee findings, after having asked each transportation agency to testify as to the basic service it renders the community, its idea as to the unit cost, and its recommendations as to steps to be taken to enable it to render this service on a fair basis.

The committee would report with definite recommendations for immediate action locally and nationally.

These reports would be sent to the Chamber of Commerce of the United States where a national committee would study them and formulate a report, national in scope, with definite recommendations for corrective action.

The idea is not specifically to help the railroads. It is to straighten out our whole transportation fabric. Other agencies might be just as much entitled to aid as the railroads are, but it seems clear that this general study is the one thing that will help the railroads by showing exactly what position they have a right to occupy.

I am convinced that our national organizations could lead in sounding out the sentiment of our communities to see just what they consider necessary.

It seems to me that only through such intensive, collective thought will we be able to extricate ourselves from this muddle.

First, we need to understand clearly just what service each transportation agency can give us. Then we will be in a position to decide just how we are going to permit them to give us that service at a fair profit.



REO Fulfills Every Need of Reliable Haulage

The Reo is the fastest and most easily driven of full-sized commercial vehicles having all-truck design and construction. ¶ Reo records of low-cost, long-life operation have never been disputed. ¶ Reo power and ruggedness, Reo safety and

control, Reo riding comfort and saving of driver fatigue—are advantages operators seek and appreciate. ¶ Moreover, Reo-designed bodies are perfectly suited to reliable haulage needs and possess the advertising asset of fine appearance.

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WAGONS**

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**AND
TRUCKS**

When visiting a REO TRUCK dealer please mention Nation's Business

SINCE LAST WE MET

A Business Record February 9 to March 9

FEBRUARY

9• MONEY in circulation increased \$47,854,000 from January 31, 1930 to January 31, 1931, a gain of \$1.60 per capita. Do we use more money in so-called bad times?

10• AMERICAN Piano Company receivership winds up with payment of 100 per cent cash to every creditor in one year, perhaps a record in receivership.

WHEAT goes up 4 cents and cotton 20 to 24 points. Stocks move up, too.

UNITED STATES STEEL unfilled orders increased 188,000 tons in January. Steel production gaining also.

11• NATIONAL BANKS show decline of \$82,799,000 in resources from December 31, 1930 to December 31, 1931. Also there were 370 fewer banks.

GREAT BRITAIN'S financial world startled by great losses of Lord Kylsant's shipping ventures, Royal Mail, White Star and Oceanic Steam Navigation. Investors will lose \$100,000,000.

13• FEDERAL CIRCUIT COURT of Appeals upholds ruling that Radio Corporation, General Electric, Westinghouse and A. T. & T. have an illegal monopoly in radio tubes.

300,000 English cotton weavers will go back to work. Operators end lockout which followed their effort to have each man run 8 looms instead of 4.

INTERSTATE Commerce Commission asks Norfolk and Western to pay the government \$15,849,000 as half of its excess earnings from 1924 to 1926. First important recapture move.

14• DEPARTMENT of Commerce reports business improved in Canada, Germany, Japan and Dutch East Indies among foreign countries. Also predicts betterment in Latin American trade.

15• GENERAL MOTORS sold to consumers 61,566 cars in January as against 74,167 in January 1930.

NET OPERATING income of 171 Class I railroads dropped 30.5 per cent in 1930.

16• POSTMASTER-GENERAL BROWN threatens a cut in air mail appropriation. Says operators are not keeping schedules.

LIFE insurance sales declined 10.7 in January from January 1930. Only group insurance gained.

17• JANUARY imports plus exports were \$433,000,000, lowest figure since February 1922.

BALDWIN LOCOMOTIVE sales in 1930 were about \$50,000,000, largest since 1923.

19• CHAIRMAN LEGGE says Farm Board may control nearly all of the carry-over of 1929's wheat crop—about 275,000,000 bushels.

PRESIDENT ATTERBURY of the Pennsylvania proposes a merger of Boston and Maine and New Haven railroads.

21• WORLD OIL output was 1,418,700,000 barrels in 1930 compared with 1,484,000,000 in 1929. Most of the loss was in the United States.

23• BANKS of France and England reach agreement to work together on discount rates and gold withdrawals.

WAYS and Means Committee kills all tariff legislation for this session.

24• THE WORLD—Morning, Evening and Sunday—to be sold to the Scripps-Howard papers for about \$5,000,000. Buyer gets only intangibles.

GENERAL American Tank Car buys Swift and Company's tank and refrigerator cars. First time a packer has let an outside concern handle its transportation.

STOCKS up again in biggest day's trading—5,300,000 shares—since October 1930. (See comment in Mr. Rukeyser's department page 145.)

FEDERAL Reserve Board reports improvement in steel, textiles and automobiles in January.

26• ELECTRIC power production for week ended February 21 was off 3.6 per cent from week ended February 22, 1930.

27• NATIONAL Cash Register moves up from a 3-day to a 4-day week.

VETERAN'S bill becomes a law.

28• SOUTHWESTERN roads ask Interstate Commerce Commission's permission to reduce rates on carload shipments of autos. Truck competition the cause.

RATES for money, call and loan, at new lows in February. Call money lowest since 1908.

JANUARY output of automobiles was 171,903 a gain of 26,302 over preceding month but 101,315 under January 1930.

MARCH

2• NEW YORK TIMES' table of 240 stocks showed gain of \$2,700,000,000 in value in February following a gain of \$1,500,000,000 in January.

BUSINESS Survey Conference reports better conditions and promise of still faster improvement.

TREASURY offering \$1,400,000,000 loan at lowest rates on record. Will retire \$1,100,000,000 outstanding.

R. G. DUN and Company report 2,563 failures in February, highest in that month since they have been keeping count.

3• CHARLES M. SCHWAB puts whole plan of payment by bonus up to stockholders' annual meeting. E. G. Grace with a salary of \$12,000 averaged \$800,000 a year bonus.

CARLOADINGS for week ended February 21 were 713,938 as against 720,689 preceding week and 828,890 a year ago.

4• NEW YORK CITY sells \$100,000,000 of 4¼ bonds at 101.977.

COTTON TEXTILE industry agrees to stop night work for women and minors in mills.

6• U. S. RUBBER'S net loss for 1930 was \$18,000,000 against a net profit of \$576,000 in 1929.

COTTON TEXTILE merchants report sharp reduction of stocks and increased sales in February.

7• CHAIN store sales for February averaged 7.75 loss from February 1930.

ERNST AND ERNST report that 1,432 corporations show loss of 28.49 per cent in net profits in 1930.

9• HOOVER committee on public domain recommends restoring most public lands to states.

WORLD'S public construction program for 1931 is 11 billions. Authority, Department of Commerce.

The greatest names in FLOUR package their products this way

Every year — billions of bushels of wheat are grown, harvested and threshed, milled into flour, and packaged in bags and cartons.



In no other industry is packaging equipment called upon to handle such a tremendous and steady flow of production with greater speed, accuracy, and

reliability. Yet, again in flour, as in practically every packaging industry, the largest and best known producers in the country all use the same packaging method . . . Pneumatic Scale Packaging Machines.



When you are contemplating investing money in the purchase of packaging machinery, the packaging experience of the country's largest producers

should be a valuable guide to your selection of the best method. It is given briefly and concisely in a unique book entitled . . . "An Interview." Write for it.



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Norfolk Downs, Massachusetts

PNEUMATIC MACHINES

Carton Feeders—Bottom Sealers—Lining Machines—Weighing Machines (Net and Gross)—Top Sealers—Wrapping Machines (Tight and Wax)—Capping Machines—Labeling Machines—Vacuum Filling Machines (for liquids or semi-liquids)—Automatic Capping Machines—Automatic Cap Feeding Machines—Tea Ball Machines.


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San Francisco 320 Market Street
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Trafalgar House, No. 9 Whitehall,
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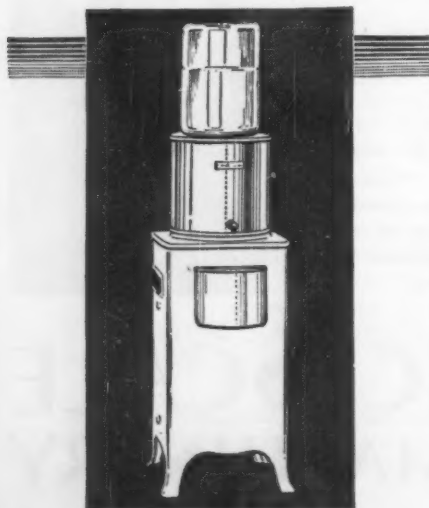
New economy
insurance **NOW**
... the **3** YEAR
GUARANTEE

ON
**GENERAL
ELECTRIC**
WATER  COOLERS

ON the job these last 3 years they've proved they stay "like new". So now General Electric guarantees them for 3 years—an unsurpassed warranty on water coolers. And the uniformly cool, invigorating water they deliver so economically means dividends in the form of healthfulness, good will, greater output per employee. A self-supporting welfare advancement!

General Electric Co., Electric Refrigeration Dept., Section CN4, Hanna Bldg., 1400 Euclid Ave., Cleveland, O.
COMMERCIAL, APARTMENT AND DOMESTIC REFRIGERATORS • ELECTRIC WATER COOLERS

Join us in the General Electric Program,
broadcast every Saturday evening, on
a nation-wide N. B. C. network



When writing please mention Nation's Business

Earning a Salary in Six Figures

(Continued from page 39)

gether. But, occasionally, they get at each other's necks. Then the president must use all the tact and judgment and authority he possesses—he has a lot of all of them. He is the court of last resort.

Skelly goes out. Raskins comes in. He holds a huge typewritten sheet in his hand. It is headed "The Situation." John J. looks at the clock. Nine-thirty-five.

"They're twenty minutes late with that today."

That's John J. every time. Precision. He makes a tremendous virtue of it.

"The Situation" is the digest of the workings of the T. & S. W. for the past 24 hours. The number of carloads of coal coming over the mountain . . . The empties trailing back . . . Locomotives out of commission . . . Train detentions . . . The total carloadings . . . The average train movements . . . Average car movements . . . "Notes and observations." . . . The president goes over this elaborate dope-sheet with care. With a stubby pencil, he checks each item as he notes its contents. This is not detail. This is the avoidance of detail in the most scientific and modern manner.

When it is all done, his hand makes an involuntary movement toward Gertrude's letter . . . This time he does not even get the letter out of the envelope. The second batch of the day's mail has arrived. He goes through it with the same care he gave the first, dictates 19 more replies.

Ten-twenty.

John J. glances at his memorandum calendar. This is board meeting day over at the Stanton National and he will have to show them how, as a railroader, he comes into the room on the minute of 11 . . . In front of him Raskins has deposited a thick docket, which will require his personal and rather minute attention. It involves the refinancing of one of the minor properties of the system.

The telephone rings. Mrs. John J. inquires if it will be just as well if they have the Van Santfords for dinner Friday, instead of Wednesday. John J. says it will. Raskins comes in with a telegram. The phone rings again. Now that docket. He picks it up.

In comes Alf Smedley, who makes adding machines or something out on the Terminal Belt. Smedley scorns barriers and inquiring secretaries. John J. groans—inwardly. Thirty minutes until bank meeting and at least seven of them to be taken in walking over to the Stanton National . . . Smedley stays all of 20

minutes talking of every inconsequential thing in the world, chiefly about whether the new locker-room out at the Far Hills Club shall be on the right or the left of the men's grill. Smedley sees John J. fumbling at his watch, tells two more stories and leaves. No chance today for that docket . . . The president of the T. & S. W. goes over to the bank in that curious dog-trot of a walk by which all Tremont knows him.

Wasted time at meetings

THE board meeting is 15 minutes late in starting and lasts an hour and a half. John J. figures idly for himself that 75 per cent of it is lost in needless discussion. . . . Why can't old Brimsby keep his board in hand? He ought to see John J. handle his board meeting, never more than 60 minutes, and many times not more than 30. All stories barred, all extraneous conversation of any sort. John J. has his directors so they know how to have a board meeting.

At one o'clock John J. Prindle is in the grillroom of the Tremont Club. The telephone rings. The office wants a decision on a fairly minor matter. It gets it. John J. reads a sentence of his daughter's letter. The phone calls him again. "Mr. Prindle" says the steward, apologetically—"Will Saturday do as well as Friday for the Van Santfords?"

When he goes back to the grill two of his own directors have seated themselves at his table. For an hour between bites of his luncheon John J. discusses future plans for the T. & S. W.—motive power needs, car wheels, the need of a new bridge over the Big Sandy. Before two he tugs at his watch, bids an abrupt adieu to his companions and is off. He is going to Cransford to speak tonight—a black cloud on this particularly sunshiny day—and he must catch Number Seven at 3:40.

An hour and 40 minutes. He pushes a button. Pennington, his publicity man, appears.

"Did you lay out something for me to say at Cransford tonight?"

Pennington puts down a half dozen sheets of beautifully typed pages, stands expectantly as John J. goes over it.

Um . . . Um . . . Um . . . Too bad this young fellow doesn't know something about a railroad. Perhaps, it was a mistake, after all, taking a newspaper reporter on for work like this. Perhaps he'd better let Pennington out. No, that would hardly be fair. Better teach him



62 different products have benefited by this service

In the last four years, sixty-two different manufacturers of products as unlike as radio and rubbers, paint and pills, with sixty-two different production problems, have improved their production, products, and profits through the help of Special Production Machines.

Many of them needed machines they could not buy, to replace slow, costly hand labor. We designed and built them. In other plants we redesigned and speeded existing machinery to greater accuracy and output. In several plants our work consisted of helping them rescue their own production research from apparent failure to a successful conclusion.

It is to help solve these "different" production problems, common to every plant, that this "creative" production service was developed. It is geared to serve any manufacturer, to help solve any production process not provided for by standard machines or methods. It was developed to meet the need of industry for a service of this type, and it has met it successfully and to the great profit of 98% of the manufacturers who have taken advantage of it to date. Investigation of this service costs nothing, it may mean thousands of dollars saving to you in the future. Write for more complete details.

Special PRODUCTION MACHINES

A Division of PNEUMATIC SCALE CORPORATION, LIMITED

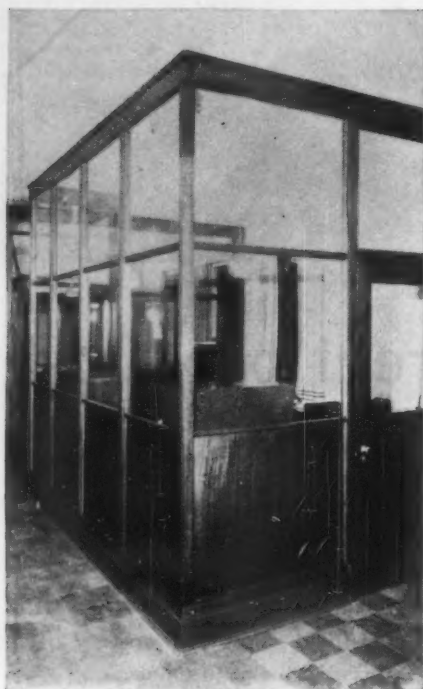
For over 40 years, Pneumatic Scale Corp., Ltd., has manufactured automatic labor-saving machinery for many of world's largest producers of merchandise

SPECIAL PRODUCTION MACHINES, NORFOLK DOWNS, MASSACHUSETTS

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Cabinet Imperial

**a new style partition
of singular beauty
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Today, Circle A builds the new Cabinet Imperial partition of carefully tailored American Walnut or mahogany in such a manner that it forms the most beautiful of paneled offices.

There is no hint of movability—yet when new office layouts are required, these practical walls can be taken down, moved, and re-erected overnight. They are remarkable. Write today for new book of good-looking offices built in this manner.

Circle A Products Corporation, 658 South 25th Street, Newcastle, Ind.; New York office: 475 Fifth Avenue. Also manufacturers of: Circle A Folding Partitions, Rolling Partitions.

CIRCLE A
PARTITIONS

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railroading, instead. One more job for John J.

"Nice piece of writing," he finally says, "but there's one or two things about Cransford and our road that I want to put into it. I want you to go up there with me this afternoon."

Pennington disappears. Raskins is summoned. Comes in with notebook and pencil. John J. changes his mind and dismisses him, picks up a big yellow pad and his stubby lead pencil and begins to write. In the end he writes his own speech and it is a good speech. But a precious hour has been wasted. Raskins comes in twice with other dockets, but the president ignores him.

A young woman reporter is ushered in—John J. prides himself upon his accessibility to the public, particularly to the press. The young woman is collecting burning thoughts from leading citizens on the need of a new City Hall. She has struck John J. at a bad time on a bad day but he tells her he will see her tomorrow. More letters. More telegrams. Mrs. John J. phones to say that, after all, the Van Santfords will come Wednesday. Then Jim Raskins is at his desk murmuring that there is just six minutes to the train. John J. stuffs Gertrude's letter into his pocket.

Out on the line, the men know "999" as the "boss's private car." He likes to call it his "officer-car"—and so it is in reality. More than that, it is his home when he is out on the line, which is three or four days each week.

In a year, "999" will make its 50,000 miles or more. There is nothing sumptuous about it. A wide bed in a comfortable stateroom for him, another for a favored guest, a shower-bath between. There is a smaller room for Raskins, an observation-room—in it John J.'s seat, beside a low table.

Keeps his data close to hand

UNDERNEATH the table there is a perfect mine of information about T. & S. W.—earnings, expenditures, maps, profiles, reports. More of this matter in the dining-room. Beyond the dining-room, a tiny kitchen, and the quarters where John J.'s two highly competent negro servants make their own domain. When John J. is at his Tremont offices the two servants act as his personal messengers. There is not much idleness. John J. does not like idling.

John J. does not ride the line alone today—he rarely does. The two servants, Jim Raskins, Pennington, Hardwick—are bound for Cransford with him. Hardwick seats himself beside the president; he has a dozen things to talk

over with him. At Lathem Junction the superintendent of the Second Division and a trainmaster are standing on the station platform. John J.'s keen eye catches them and bids them come in.

"Hello, Mike. Hello, Donovan," he says, and begins a running-fire of questions, about this thing, and that. This is where he wallows in details. There is nothing connected with the actual operation of a railroad in which he is not keenly interested.

Cransford is 110 miles from Tremont and three hours taken in getting there. Two shippers come aboard at an intermediate point, cigars and lemonades are passed and John J. shows that he is something of a traffic man in the facility with which he discusses their problems.

"You cannot be too many things to be a railroader," he likes to tell young Pennington.

The dragging dinner program

THE dinner at Cransford is about the same as most other dinners of that sort. Three hundred men crowded into an ill-ventilated, smoke-filled "banquet hall." Slow service, indifferent food. A jazz band. A local quartet. Three introductory speeches by local talent. All together they come to a full hour.

After an interminable time and a fulsome introduction, during which some of the diners have managed to escape, the president of the T. & S. W. is on his feet. No one else leaves. John J. Prindle may not be a polished orator but he has a trick of winning men.

Finally the affair is over. The president and a little group make their way back to "999." The group comes and stays an hour. Finally the last of them goes. It is close to eleven. Out comes Gertrude's letter.

A powerful hand comes down on his shoulder. Maginnis, his chief of motor power and one of his favorites.

"Heard you were here, boss, and dropped off Sixteen for a talk. Thought you'd be interested in how those new mountain types are behaving."

He grins. John J. grins. They visit together.

"Good Lord, it's past midnight, Mac. No time for a youngster like you to be up. You stay on the car and we'll breakfast tomorrow going into Tremont."

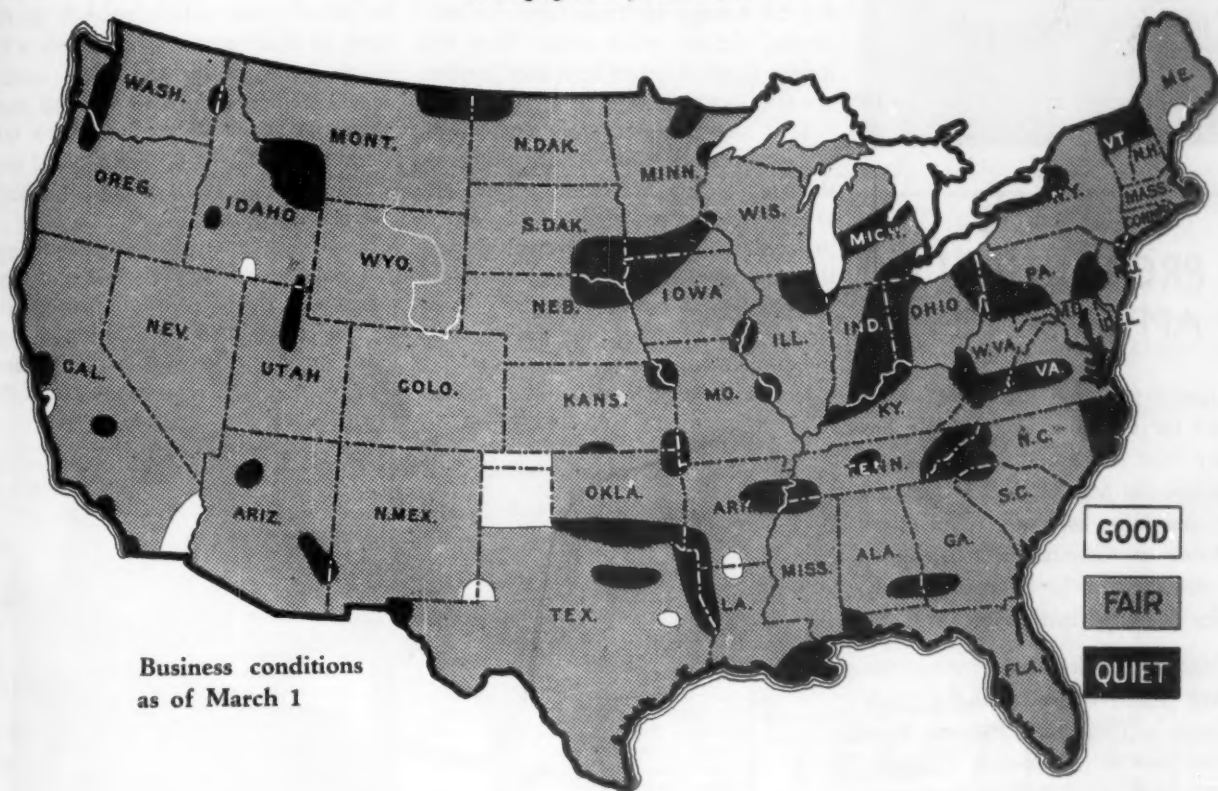
One thing more—Gertrude's letter. He'll finish that tonight, after he's in bed. He never does. He tries it, but sleep begins to overpower him. He gives up, reaches up to turn off the light.

Tomorrow. Tomorrow's the day. This one has gone its way. All in a day's work.

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's



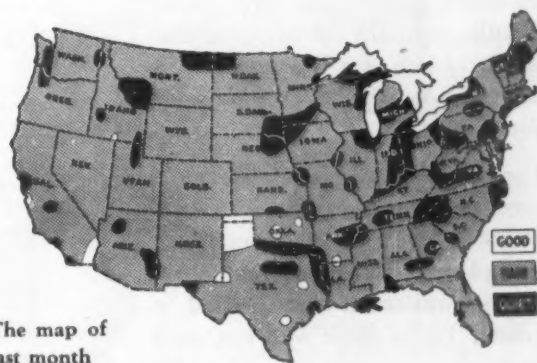
Moderate gains were made in trade and industry during February and March, but there are still obstacles in the road to business recovery. Prospects of increasing employment add some cheer to the situation

THAT trade and industry made gains in February and early March, as they did indeed in January, cannot be truthfully denied. That the progress made has been moderate and not entirely up to expectations seems equally certain. That the stock market, as is not unusual, has run ahead of actual trade and industrial developments seems truest of all.

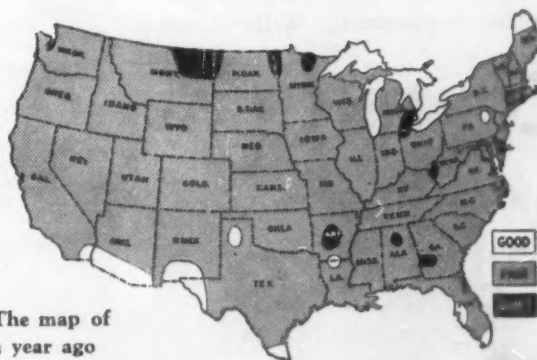
In explanation, it may be said that the stock market in the late months of 1930 overdid things on the down side, and part of its advance in January and February was a sort of natural righting of an overdone bearish speculation.

All of this, by the way, does not mean that we, as a country, are out of the woods yet. Unfavorable factors still remain—for instance, our disorganized price situation and especially the swamped condition of some markets, particularly grain markets, due to "patent-medicine legislation."

Some staples, cotton for instance, seem to have definitely turned upward as the result of unquestionably heavy buying of staple goods and increased activity. This means enlarged work and increased pay rolls. In addition, exporters report increased takings of that staple after some years of declining shipments, making it possible to believe that even the price



The map of
last month



The map of
a year ago

The decline in prices of farm products was one of February's unfavorable features. Other price indexes declined, but at a slower rate



FENCE for PROTECTION and APPEARANCE

ADEQUATE provision for public safety and for the protection of valuable property from trespassers are serious responsibilities of management. The sturdiness, durability and distinguished appearance of Continental Chain-Link Fence recommend it as preeminently fitted for this important double duty.

Continental Chain-Link Fence is the crowning achievement of thirty years experience in fence manufacture. It is made exclusively of special "copper-bearing" steel produced in our own open hearth furnaces and drawn in our own mills, especially for fence manufacture. Every inch of it is heavily galvanized by the hot dip process after fabrication.

Continental Chain-Link Fence is erected by trained experts under the supervision of Continental Fence Engineers and every job is guaranteed to produce the satisfaction that inspired its purchase. Let us advise with you, study your needs, and quote prices for your complete requirements. Write us now.

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Manufacturers of Billets, Rods, Wire, Barbed Wire;
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(109)

When writing please mention Nation's Business

situation has begun to show some signs of improvement.

The price situation seems to contain in itself the germs of improvement, in that low prices have always ultimately meant enlarged takings. The familiar assertion that it is underconsumption and not overproduction which has bothered us may now be put to proof to the advantage of those who produce needed articles at a price. That this means elimination of high-cost producers goes without saying.

If it also means the ending of arbitrary man-made efforts to lift things by their bootstraps, as it were, perhaps the great price decline of 1929-31 (which, incidentally, was not as great as was the shorter price decline of 1920-21) may result in a new lease on life for the economical producer and perhaps for the economical consumer.

Prices of stocks and bonds rose dur-

ing February, as they did in January, but the pace was different in different classifications. Iron and steel production gained slightly in February; automobile manufacturing increased again from the low ebb of late 1930; the woolen and cotton manufacturing trades picked up considerably, February indeed being the most active month in more than a year in cotton-goods orders placed. At the close of that month unfilled orders for staple print cloths and other similar makes were better than for a year past. Prices of goods stiffened and raw material prices moved up steadily and continuously to a point nearly two cents above the low of 1930.

One big advance in this line, though not exactly of a trade character, was an agreement by more than three-fourths of the cotton manufacturers to discontinue night work of women and children.

The chief unfavorable feature of the

BUSINESS INDICATORS

Latest Month of 1931 and the Same Month of 1930 and 1929
Compared with the Same Month of 1928

	Latest Month Available	Same Month 1928=100%		
		1931	1930	1929
Production and Mill Consumption				
Pig Iron	February	61	101	115
Steel Ingots	February	65	105	112
Copper—Mine (U. S.)	January	70	99	126
Zinc—Primary	February	61	93	100
Coal—Bituminous	February*	78	98	117
Petroleum	February*	90	112	114
Electrical Energy	January	107	117	111
Cotton Consumption	January	80	99	115
Automobiles	February*	65	107	151
Rubber Tires	December	61	69	130
Cement—Portland	January	67	87	101
Construction				
Contracts Awarded—37 States—Dollar Values	February	53	71	81
Contracts Awarded—37 States—Square Feet	February	43	58	83
Labor				
Factory Employment (U. S.) F. R. B.	January	81	99	103
Factory Pay Roll (U. S.) F. R. B.	January	71	99	105
Wages—Per Capita (N. Y.)	January	92	102	102
Transportation				
Freight Car Loadings	February*	78	97	105
Gross Operating Revenues	January*	82	98	106
Net Operating Income	January*	61	98	137
Trade—Domestic				
Bank Debits—New York City	February*	62	95	141
Bank Debits—Outside	February* (X)	74	99	108
Business Failures—Number	February	118	104	90
Business Failures—Liabilities	February	132	114	76
Department Store Sales—F. R. B.	January	89	97	99
Five and Ten Cent Store Sales—4 Chains	February	104	106	103
Mail Order House Sales—2 Houses	February	103	123	121
Trade—Foreign				
Exports	January	61	100	119
Imports	January	54	92	109
Finance				
Stock Prices—30 Industrials	February	93	137	158
Stock Prices—20 Railroads	February	82	114	116
Number of Shares Traded	February	141	153	190
Bond Prices—40 Bonds	February	97	93	96
Value of Bonds Sold	February	81	85	77
New Corporate Capital Issues—Domestic	February	19	41	152
Interest Rates—Commercial Paper, 4-6 Months	February	63	116	139
Wholesale Prices				
U. S. Bureau of Labor Statistics	January	80	97	101
Bradstreet's	February	69	84	97
Fisher's	February	80	98	102
Retail Purchasing Power, 1923=100%				
Purchasing Power of the Retail Dollar		Jan. 1931	Jan. 1930	
Purchasing Power of the Clothing Dollar		110	101	
Purchasing Power of the Food Dollar		118	102	
Purchasing Power of the Rent Dollar		110	94	
		116	109	

X Excludes Boston, Cleveland, Chicago, Los Angeles, Phila., Detroit, San Francisco, New York
* Preliminary
Prepared for Nation's Business by General Statistical Division, Western Electric Co.

Messages that took 3 to 4 days now handled in as many minutes *through the magic of teletypewriter service!*



*Whatever is typed on
the sending machine...*

can use a typewriter can operate it. The receiving machine typewrites automatically, making it unnecessary for somebody to answer before a message can be sent.

*Ask your local telephone company
for further information!*

Teletypewriter service is invaluable between widely-separated offices and factories or warehouses, as well as within large offices and plants. Ask the business office of your local telephone company for further details, or, if you prefer, write the Teletype Corporation, 1400 Wrightwood Avenue, Chicago, U. S. A.

TELETYPE
SUBSIDIARY OF
Western Electric Company
INCORPORATED

THE AUBURN AUTOMOBILE COMPANY, whose cars are seen on almost every highway, operate two plants 140 miles apart. When the mails were used for the transmission of written data, it frequently took from 3 to 4 days to send a message and receive a reply.

Then Teletype, the machine that typewrites by wire, was installed. "Now," says an official of the company, "it is possible to dispatch a message and receive a typewritten answer within 3 or 4 minutes' time."

"Almost every department," he continues, "finds teletypewriter service helpful. The sales department uses it for sending to the assembly plant allotment notices regarding shipments to dealers. These messages are accepted as final authority to make shipment."

"Teletypewriter service also enables the cost department to obtain immediate information on late cost and progress records, and gives the purchasing department closer contact with stocks on hand. All messages sent and received are filed as a record of the transaction that each covers. This feature is especially valuable as it definitely fixes responsibility."

Teletype sends typewritten messages over telephone wires at a speed of 60 words a minute, and anyone who



*... is instantly reproduced by
the receiving machine. Machines
can be used in either
direction, and both make one
or more copies on plain paper
or printed forms.*

1931

That hard-looking gentleman!

Just *how* hard he is, we can't say. But we are willing to believe that the skies above him *will* clear and the sun shine. For we know that the coldest snow melts. It always has!

But how fast? That question takes us back to fundamentals.

Clearly, in this depression of **TOO MUCH**, there has been, broadly speaking, no sufficient meeting of the minds between Producer and Consumer. That yawning gap can and should be closed!

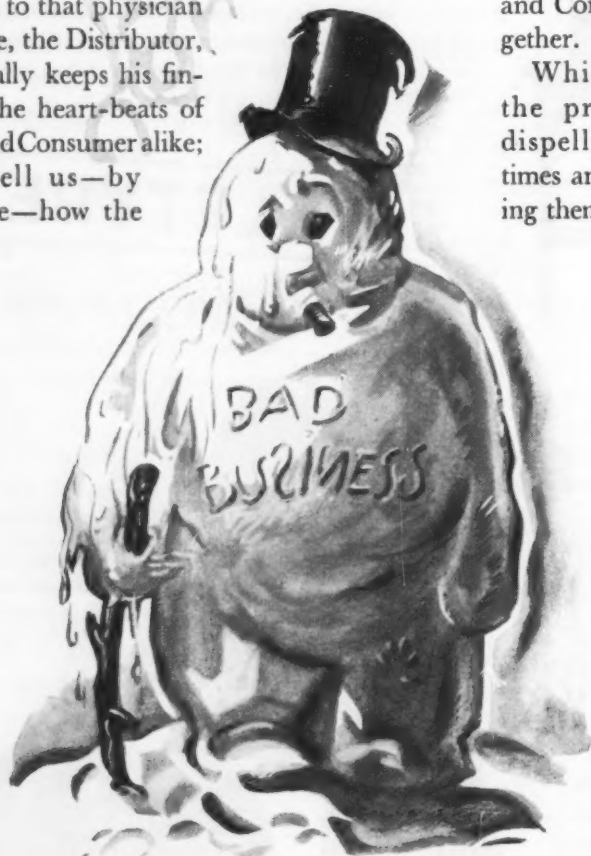
How? It all depends. We can continue to put our trust in faith cures, in hopeful Sales Quotas, in Slogans, in High Pressure Merchandising. Or we can turn to that physician of commerce, the Distributor, who habitually keeps his fingertips on the heart-beats of Producer and Consumer alike; who can tell us—by return wire—how the

housing situation goes in Ottumwa, Iowa, what the railroad purchasing agent in Houston, Tex., is planning, how the lighting load in Kankakee or Shreveport is carrying on; who can talk fuses or ship-building, street-lighting or sewing electrically.

Add, to this, the conquest of the mechanics of distribution—of creating storage points at centers of demand, of improving stock control, of solving trucking problems in congested cities all over America.

And you begin to have a fair picture of the scientific Distributor who moves steadily closer to the solution of the problem of bringing Producer and Consumer together.

Which is also the problem of dispelling hard times and of keeping them dispelled.



Any scientific study of the intimate interplay between the forces of production and consumption must focus on the common meeting ground between the two—Distribution. As the connecting link between the manufacturers of electrical materials and the consumers of some 60,000 electrical items, Graybar is in a particularly strategic position

to contribute to the scientific progress towards economic security.

Graybar

GRAYBAR BUILDING



NEW YORK, N. Y.

DISTRIBUTORS OF 60,000 ELECTRICAL ITEMS THROUGH 77 DISTRIBUTING HOUSES

month aside from the acknowledged low ebb of employment in industry was the sag in prices of farm products. This decline set the period from January 15 to March 1 as the lowest in point of farm-products prices since 1910. Some of the decline was forced by confession of weakness in the wheat-holding movement and some of it represented the probable sacrifice of live stock due to the feeding situation.

Corn prices certainly disappointed those who thought that a 20 per cent reduction in last year's crop might bring high prices for what was actually raised, the price of this product dropping to 25 per cent below the 1930 figure.

Other developments of the dislocations of 1930 are found in the reduced traffic on the railways, shown by lighter carloading figures, lessened net returns, and announced reductions in dividends of a few railroads.

Retail food prices low

LOWER retail prices of foods were more in evidence than for probably 20 years past. It seems evident now that retail stocks of goods were ruthlessly cut in price, one result being a complaint from some dealers that an actual scarcity existed in bargain merchandise stocks for promotional purposes—in "sales" for instance. In the wholesale and jobbing branch the chief complaint was that retailers were buying only for absolute needs. If these two complaints were well founded there would seem to be possibilities of shortages developing in some lines, shortages which the advent of Easter buying in volume might reveal sharply.

Unless all signs fail there is a big program of public improvements, especially road building, in prospect for this spring and summer. Given an early disappearance of frost, it would seem that a good deal of employment should soon offer. In other lines, as for instance the oil and gas industries, the orders already given and those contemplated should make for activity which will be reflected in the metal trades through orders for steel and iron pipe.

The stock market has undoubtedly been first in men's minds in recent months, the progress made in prices being worth sketching. In January rail and industrial stock averages were about tied in the number of points advanced. In February, however, while rail averages advanced only a few points, industrials exceeded the rail averages advances four to one. If contrasted with a year ago however, both still look rela-



THIS IS THE ONLY MACHINE THAT MULTIPLIES DIRECTLY, PRINTS THE RESULTS OF ITS OWN CALCULATIONS, SUBTRACTS, ACCUMULATES AND PRINTS TOTALS, TYPE-WRITES DESCRIPTIONS AND POSTS SEVERAL RELATED RECORDS IN ONE OPERATION.

Multiplies / / Prints Results / / Types

This remarkable machine is extremely fast and performs most of its operations automatically. It can be readily adapted to meet your individual requirements. It will simplify and cut the cost of accounting. Read below how it handles a few typical jobs. Ask for a demonstration on your own work.

TIME TICKETS

Multiplies rate by number of hours or pieces and prints results—all extremely fast. Automatically accumulates and segregates total earnings to show total day work, total piece work, etc. Posts earnings or distribution records as by-product.

BILLING

Writes, computes and totals invoice in one operation. With any other methods, the bill must first be figured, then copied. All calculations, including fractions, discounts, deductions, and totaling performed as bill is typed. Extensions and totals printed by one key depression.

INVENTORY

Multiplies quantities by prices and prints results, types descriptions, accumulates total for each sheet and each section. Figures, writes and totals complete inventory in one operation.

COST WORK

Calculates overhead, posts labor and material charges to job records, computes and records total cost to date—all in one operation. Simplifies job costs, standard costs, overhead distribution.

STORES RECORDS

Extends requisitions while posting stores ledger. Figures the new quantity and value on hand, proves the posting and all computations and automatically accumulates separate totals of "receipts" and "issues."

PRORATING

Multiplies amount to be prorated by each of the factors, and prints result of each multiplication. Automatically distributes fraction of a cent so that total of all prorations, which accumulate in the machine, will exactly agree with amount prorated.

TAX BILLS

Multiplies valuation by tax rate and prints results; writes the tax bill, completes the tax roll, and segregates the total tax into funds or other classifications—all in one fast operation.

OTHER JOBS

Ask to see this machine demonstrated on any kind of special work you may have involving calculating and recording. You can arrange for such a demonstration through the local Burroughs office.

BURROUGHS ADDING MACHINE COMPANY, 6224 SECOND BOULEVARD, DETROIT, MICHIGAN

Burroughs

When writing to BURROUGHS ADDING MACHINE COMPANY please mention Nation's Business

ANGELICA UNIFORMS

increase efficiency in the Beech-Nut Plant

The Beech-Nut Packing Co. has furnished plant uniforms to its employees for twenty years. Like many other users of Angelica Washable Uniforms, such as the Fleischmann Co., Mars, Inc., Ward Baking Co., Kellogg Co., Federal Bakeries, DuPont de Nemours, Procter & Gamble, Owens-Illinois Glass Co. and Parke, Davis & Co., they have found that plant uniforms provide definite control over the cleanliness of their employees and protect products for human consumption from all street clothing contaminations.



The
standardized
plant uniform
encourages greater

1. Harmony
2. Cleanliness
3. Loyalty
4. Sanitation

and eliminates petty jealousies
caused by dress distinction.

Uniformed employees are more alert, have better morale and greater efficiency. Uniformity of dress creates better harmony by eliminating petty jealousies and commanding respect for girl employees. *Angelica* Plant Uniforms are a big step toward the solution of personnel problems in widely varied industries. May we show you the kind of uniforms your plant can use?

Our branch nearest you will gladly furnish illustrations without obligation. No salesman will call unless requested.

ANGELICA JACKET CO.

St. Louis, Mo. . . . 1481 Olive Street
New York, 104 W. 40th St., Dept. 81
Chicago, 1238 N. Clark St., Dept. BS

When writing please mention Nation's Business

tively cheap. Bonds rose moderately, checked as they were by talk of the possible injury to the regular markets by the act increasing the loan values of World War veterans' bonus certificates.

February returns of mail-order houses dropped 15.7 per cent, but in chain-store sales proper the early returns point to a decrease from February 1930 of only 5 per cent, this following a gain of 8 per cent in February 1930 over 1929. Department store sales fell 9 per cent in February from a year ago, but they fell 2 per cent in February last year from 1929.

Because of the weakness in most farm products in February the movement of the price indexes as of March 1 attracted considerable attention. This revealed on the whole a slackening of the downward movement although the general trend was lower. Bradstreet's Index showed a drop of 1.5 per cent from February 1 to March 1. Thus the seventeenth consecutive monthly recession established a decline of 36.4 per cent from December 1, 1925, when the highest point in a decade was reached. The drop from the high of 1929 on March 1 to latest date was slightly less than 30 per cent, whereas in the sixteen-month decline from February 1, 1920 to June 1, 1921 it was 49 per cent.

In the decline from February 1 to March 1 this year, however, seven groups failed to participate while six other groups went lower. There was weakness in hides and leather, provisions, breadstuffs and building materials but this was largely offset by advances in textiles, fruits, metals, naval stores and some miscellaneous products.

The course of these price indexes bids fair to be closely watched in the months to come because rightly or wrongly they are regarded as having something like a prophetic character as regards the course of business and industry generally.

A review of prices of wheat from

May 31, 1929, when the Farm Board was in the making, to late July of that year when the Board began to function shows that a marked rise in prices occurred. This late July price was, however, never reached again. By the end of February this year the low prices of late May 1929 were broken through. In other words, after 18 months of Farm Board work the price of wheat, owing to cheapening of wheat the world over, was below the level of prices ruling before the Board began to operate.

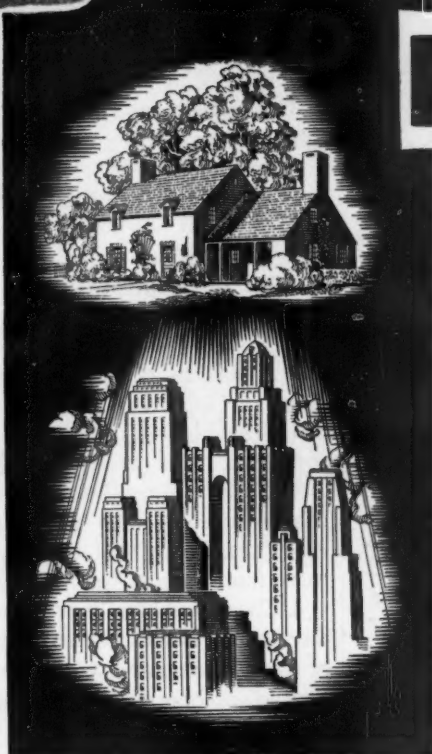
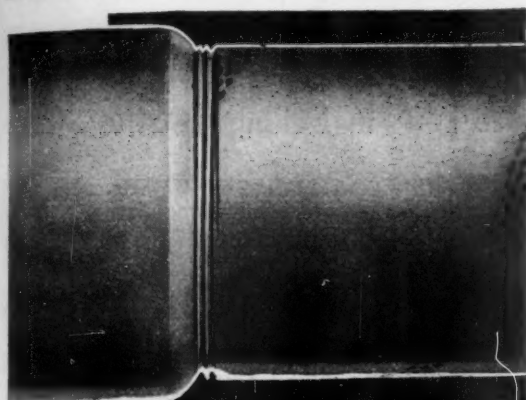
Complaint of the effects of government efforts to sustain prices was widespread in late February. Exports of wheat in the form of grain sank to the vanishing point, flour milling was said to have been unfavorably affected, and the New York Produce Exchange in early March began dealing in Canadian wheat "in bond" at Buffalo, using prices at Winnipeg and other free markets as a basis for operations.

There were 2,263 failures, with \$97,272,228 of liabilities, reported in February—a decrease of 27.5 per cent in number and of 54.2 per cent in liabilities from those in January. That month saw the peak in total number of failures but was nothing like the December 1930 total of liabilities, which was \$360,000,000. February failures broke all records for that month, exceeding those of February 1930 by 5.5 per cent in number and 33.5 per cent in liabilities.

Estimates of motor output for February indicate a 15 per cent increase over that in January. If this is applied to the January total for the United States of 172,000 cars and trucks, a total of about 200,000 cars and trucks for February is obtainable as against production of 346,000 during February a year ago. This would indicate a decrease of 42 per cent. The March prospect is said to be for about 275,000 cars and trucks as against 401,000 in March last year and 585,000 two years ago.

Where Business Will Meet in April

DATE	ORGANIZATION	CITY
3	Eastern Lumber Salesmen's Association	Philadelphia
4	Texas Cotton Ginners Association	Dallas
5	American Toy Buyers Association	Chicago
6	Association of Marine Underwriters of the U. S.	New York
14	American Oil Burner Association	Philadelphia
14	Oil Heating Institute	Philadelphia
15	Electrical League of Utah	Salt Lake City
15	Specialty Bakery Owners of America, Inc.	New York
20-21	Petroleum Industry Electrical Association	St. Louis
21-23	Ohio Wholesale Grocers Association	Columbus
23-25	Southern Commercial Secretaries Association	Roanoke
24-25	American Cotton Shippers Association	New Orleans
25	Association of Stock Exchange Firms	New York
26	National Lumber Manufacturers Association	Chicago
27-29	American Supply & Machinery Manufacturers Assn.	Washington, D. C.
27-29	Southern Supply & Machinery Distributors Assn.	Washington, D. C.
28-May 1	Chamber of Commerce of the United States	Atlantic City
28	National Association of Printing Ink Makers	Cincinnati
29	American Association of Advertising Agencies	Washington, D. C.
30-May 2	Missouri Association of Public Utilities	Excelsior Springs, Mo.



PUT YOUR HOME, YOUR BUILDINGS, YOUR PIPE LINES INTO THE PROTECTION OF THE HONEST SPIRAL

Clean unfailing flow of water, freedom from pipe repairs, unclogged passage of gas, air, oil, or other liquids, long-lasting disposal of wastes will be yours, if the pipe you have installed is marked with the famous indented spiral.

For the indented spiral, with the Reading name and date of manufacture, is the only way of making sure that you get genuine puddled wrought iron pipe made as Reading has made it for 83 years.

And only pipe made from such material has passed the tough tests of generations of service. Install Reading Five-Point pipe that resists rust, vibration, shock, fatigue and electrolysis as does no other pipe, and that is never affected by destructive green corrosion.

Master plumbers for scores of years have recommended and installed genuine puddled wrought iron pipe. Today you and your plumber, or heating contractor, can be sure of using life-time lasting genuine wrought iron, by making sure that every foot of pipe shows the indented Reading spiral.

READING PRODUCTS

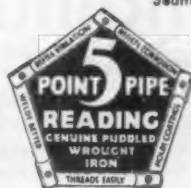
Pipe	Couplings
Tubing	Bar Iron
Casing	Billets
Nipples	Cut Nails
Boiler Tubes	

You can get Reading Genuine Puddled Wrought Iron Nipples with Reading Pipe—the best combination for soil, waste, vent and inside conductor lines.

For information and quotations address

READING IRON COMPANY Reading, Pennsylvania

Atlanta, Baltimore, Boston, Buffalo, Pittsburgh, Cincinnati, New York, Detroit, Houston, St. Louis, San Francisco, Seattle, Chicago, Philadelphia, Tulsa, Los Angeles, Kansas City.



For your protection this indented spiral forever marks all Reading Pipe.

READING

Science and Invention Have Never Found a Satisfactory Substitute for Genuine Puddled Wrought Iron.

PIPE

When writing to READING IRON COMPANY please mention Nation's Business

Your car may be recovered, BUT you still need theft insurance



THE motor car thief has changed his system. Today, instead of selling a stolen car, he strips it; and disposes of tires, batteries, bumpers.

Over 80% of all cars stolen throughout the country are recovered. So it is more than likely that your car will be returned. Yet many of its vital parts may be missing.

To guard against such loss you should be completely protected by theft insurance.

When automobile insurance first became a factor, the Agricultural and other leading stock insurance companies pooled their efforts to curb the

**DOCTOR'S CAR
RECOVERED ON
COUNTRY ROAD**

**ARREST OF TWO OCCUPANTS
THROWS NEW LIGHT**

activities of automobile thieves. They inaugurated a nation-wide scheme which has been most successful in locating stolen cars. They have assisted manufacturers in adopting identification marks. They have had an important part in the passage of title laws which put the burden of proof on the sellers, an obvious brake on easy sales of stolen cars.

These things have resulted in lower total theft losses. And this, in turn, has been followed by steadily reduced insurance rates. It is the hope of the Agricultural and others, that by continued efforts against the thief—and by arousing public sentiment still further—they may be able to offer theft insurance at even lower rates.

Automobile insurance is vitally important. Let us give you the name of the Agricultural agent near you. He will advise you intelligently. He can offer you automobile policies and all other property coverages . . . issued by a long-experienced company that understands modern protection.

Agricultural
Insurance Company,
of Watertown, N.Y.

THESE AGRICULTURAL POLICIES ARE AVAILABLE TO ALL PURCHASERS
Fire • Parcel Post • Automobile • Marine • Use and Occupancy • Rent and Leasehold • Windstorm • Floater
Aircraft Damage • Sprinkler Leakage • Earthquake • Explosion and Riot • and other property coverages

When writing to AGRICULTURAL INSURANCE COMPANY please mention Nation's Business

No Money in Selling Too Much

(Continued from page 32)

vertiser as it now stands is not merely one of picking out desirable customers who will distribute his product. It involves the question of his future growth and may even be associated with the problem of his continued existence.

The essential characteristic of any well and successfully advertised merchandise is that it has been established in the public mind as an acceptable line.

This underlying fact, aside from its inherent significance, carries certain important implications:

1. Since this advertised merchandise is known and accepted, it often serves as a standard of value. This is true whether this standard is high or low.

2. Known and accepted merchandise serves as a basis for confidence between a store and its customers. If the store sells well-known goods at standard prices it is far on the way to winning the confidence of its customers.

3. Such merchandise moves off the dealers' shelves with a maximum of ease, and hence, the capital invested turns more rapidly than the average.

4. The cost of handling such merchandise usually is low because the previously created acceptability shortens the actual selling operation to a minimum.

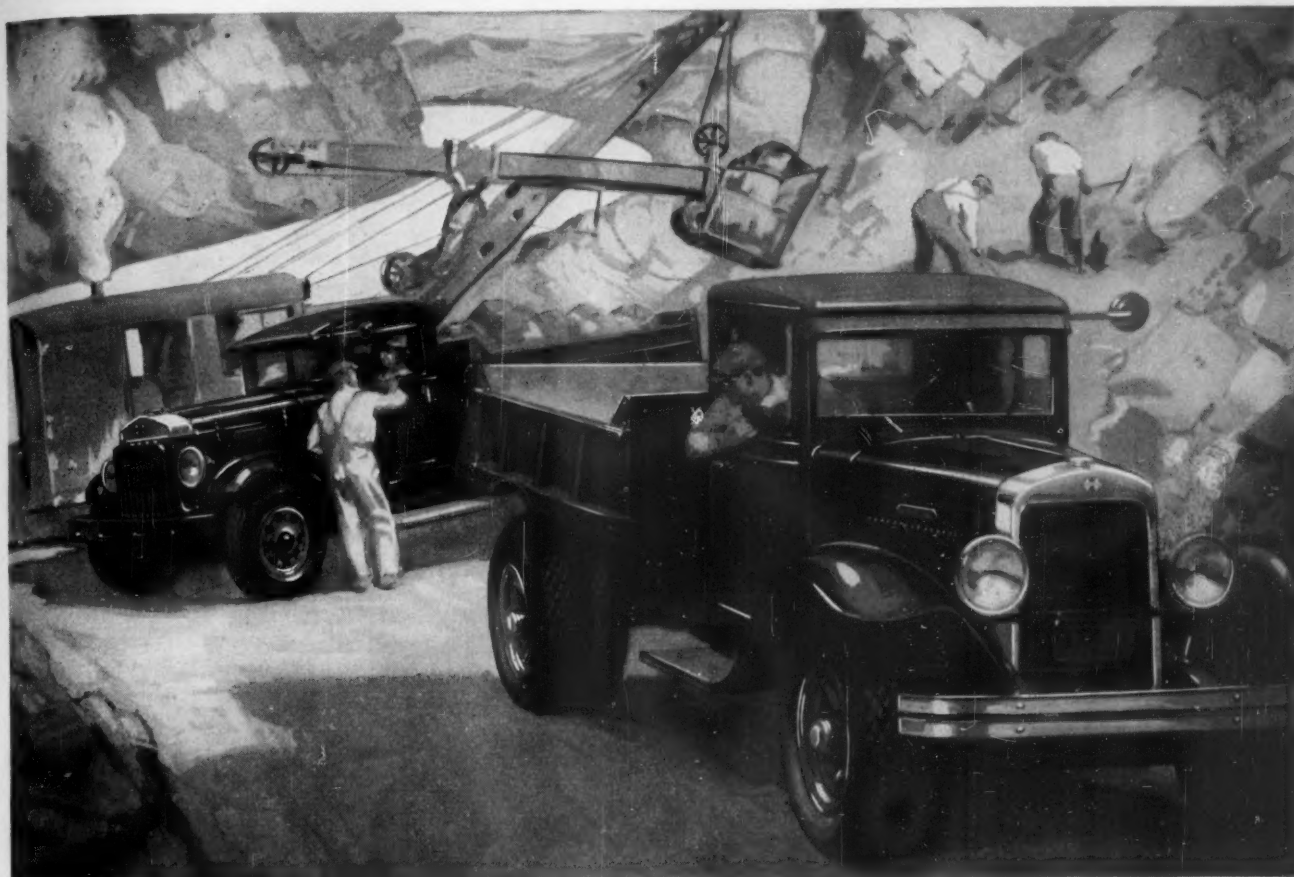
5. Competition in such merchandise usually causes it to be put up or packaged in attractive form. This results in getting a maximum of store decoration from a stock of such goods.

Goods that are easy to handle

THESE and many other characteristics of advertised goods put them in a special class when it comes to considering the costs and efficiency of distribution. Some of these characteristics are important, others seem trifling, but taken together they make of these advertised goods (all other things being anywhere nearly equal) lines which it is to the best interest of alert merchants to know about, and usually to handle.

In other words, because they are likely to help the alert merchant improve his earnings they become a sound basis for bargaining between the manufacturer seeking the best outlets and the best type of merchant who may be assumed to be seeking profitable lines of merchandise.

Small merchants for years to come will contrive to exist in most lines of



BUILDING THE HIGHWAYS OF PENNSYLVANIA

FROM the shores of Lake Erie across to Philadelphia stretches the Quaker State ... the beautiful "Sylvania" of William Penn ... a magnificent domain, great in history, great and strong in the present, and ever building for tomorrow.

This is a story of roads in Pennsylvania—a story of International Trucks. Pennsylvania knows full well that no state can afford to neglect her roads. She has gone on extending the vital arterials so that commerce may flow unobstructed and free. During 1930 over eighty million dollars were invested in major construction, replacement, and maintenance work by the Pennsylvania Department of Highways. Year after year more and more mileage opens to transportation.

During 1930, over seven hundred International Trucks helped to build the highways of this state alone—a surprising total, indicating the vogue of International haulage among construction men.

Pennsylvania is a difficult state for the road builder, as any man knows who knows the hills of Pittsburgh on the west, and the Alleghenies and the Blue Mountains toward the east. But good trucks are made for facing difficulties. Whatever the emergency, Internationals fill the bill and add to their reputation. Everywhere their owners attest their sterling performance and economy. Entrust your own hauling to trucks like these—they will give you both speed and stamina in good measure.

INTERNATIONAL HARVESTER COMPANY
606 So. Michigan Ave. OF AMERICA
(INCORPORATED) Chicago, Illinois

SERVICE HAS A LOT TO DO WITH IT

International Harvester maintains Company-owned branches at these points in Pennsylvania:

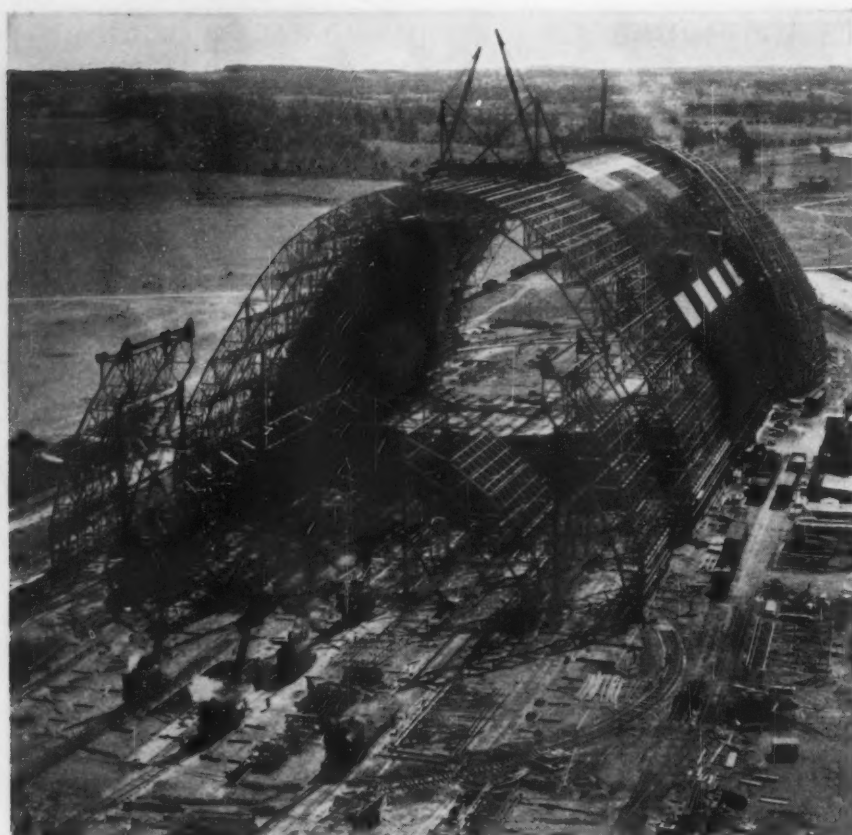
Altoona • Erie • Harrisburg
Philadelphia (2) • Pittsburgh
Reading • Scranton
Wilkes-Barre • Williamsport

Besides these, other Company-owned branches, just over the border, extend their service into Pennsylvania, and dealers are found everywhere close at hand. All over the United States International owners are served the same way.

The new International truck line includes trucks for every need: Special Delivery $\frac{3}{4}$ -ton; Six-Speed Special, $1\frac{1}{2}$ -ton; Speed Trucks, $1\frac{1}{2}$, 2, and 3-ton; Heavy-Duty Trucks, $2\frac{1}{2}$, $3\frac{1}{2}$, and 5-ton.

INTERNATIONAL TRUCKS

When visiting an INTERNATIONAL TRUCK dealer please mention Nation's Business



On Goodyear's Zeppelin Hangar ~ Or Your Job

A building large enough to hold six miles of freight cars—one 1175 feet long, 325 feet wide and 197½ feet high—that, in brief, was the construction feat on the Goodyear Zeppelin factory and dock at Akron, Ohio.

The aerial view above shows this great hangar during the course of erection. The six Industrial Brownhoist long boom erection cranes shown were used by the contractors, the American Bridge Co., to handle the steel and help lift the heavy structural arches into place.

On construction jobs, both large and small, railroad work, in steel mills and thousands of industrial plants, Industrial Brownhoist locomotive and crawler cranes are at work cutting costs. The necessity for strict economy in operations today makes this an excellent time to investigate the substantial savings one of these machines would produce on your own work.

Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio

District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, San Francisco, New Orleans

Plants: Brownhoist Division, Cleveland, Ohio; Industrial Division, Bay City, Michigan; Elyria Foundry Division, Elyria, Ohio

INDUSTRIAL BROWNHOIST

When writing to INDUSTRIAL BROWNHOIST CORPORATION please mention Nation's Business

business. Unless a system of licenses or some other artificial check is introduced, thousands of retailers will continue to enter business and thousands of others will continue to fail every year.

Along with these newcomers, and failures, and occasional successes among independent merchants, the importance of large, well-financed organizations like chain and department stores will increase. But even among these organizations, outstanding successes will not be numerous. Their share in the business of distribution is destined to grow; their place in any national advertiser's plans will be increasingly important.

A large part of the major strategy of most national advertisers, however, seems destined to center about the progressive independent retailer.

There are lines in which the operations of the chains will overshadow these independent outlets, but in the main it seems to be true that if a national advertiser can get his goods favorably regarded by a few leading chains and by a selected list of the leading independent merchants in any community, he can let the pursuit of 100 per cent distribution become the costly pastime of others.

Defending the Village

THE article in the January NATION'S BUSINESS called, "Villages are Dying—and Who Cares?" has brought a pretty steady flow of comment, much of it unfavorable.

Arthur F. Smith of the A. F. Smith Company, Omaha, didn't believe there was much in the article and wrote us:

"Judging from my 50 years of experience, I believe that the villages are going to come back for the reason that there are too many mechanics in the big cities and the big cities will never be able to take care of them. So the next thing for them to do is to come to a small town where the rent is cheap, where they can do a little farming, and raise enough so that they can at least eat. In the meantime, it creates a little stir and the villages will start to grow.

"In looking over a great many towns in the state of Nebraska, I do not see that any particular town has decreased in any way. Even in South Dakota, where they have had a drought for two or three years, there has been no change except in a very few towns.

"There is one town, namely, Winner, S. D., where one store does a million dollars' worth of business. The town has about 2200 inhabitants and there are a great many other stores there."

1931
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KANSAS CITY'S



GROWTH IN TWO YEARS
In Kansas City



LOWEST TRANSPORTATION COST
TO 19 MILLION PEOPLE

POWER IN KANSAS CITY

BOOK OF FACTS

rated high among industrial fact offerings, has gone into the Fifth Edition, just now off the press. Whether you have had former editions or not, you ought to have this informative book.

INDUSTRIAL COMMITTEE OF THE CHAMBER OF COMMERCE OF

KANSAS CITY

Nearly $\frac{3}{4}$ million people live within one hour by motor car from Twelfth Street and Grand Avenue, Kansas City, Mo.

Industrial Committee, Chamber of Commerce, Kansas City, Mo. Please send me the Book of Kansas City Facts. I am interested in the _____ industry.

Name _____

Firm _____

Address _____

City _____ State _____

"I saw your advertisement in Nation's Business"

"The public warehouse is literally a branch house of the manufacturer or producer using its service. It is equipped to handle all warehousing details and problems with its own shipping and clerical staff, and there is no doubt that it can handle distribution at considerably less expense to the shipper than any other method. We ship many carloads of our products to public warehouses for distribution locally and into surrounding territories. Our saving in distribution cost amounts thereby to approximately twenty per cent."

Edward S. DePass,
General Traffic Manager
CARNATION COMPANY



In 189 Cities . . . We'll Be Your Branch House

Helping You to Increase Sales, Speed
Up Your Service and Cut
Distribution Costs!

Merchandise warehouses operated by members of the American Warehousemen's Association are located in every distribution center of importance—ready to furnish all necessary facilities and services required for the strategic spot-stock distribution of raw materials, manufactured articles and service parts of every kind.

The flexibility of such a distributing system is almost unlimited. You can use as many warehouses as your business requires . . . in two cities, in twenty cities, or in a hundred cities! Costs are based on the number of units of your goods that are handled. You have little or no overhead if business is dull and very few shipments are moving through the warehouses . . . and whether business is dull or brisk you pay only on a "piece work basis" for goods actually stored or distributed by AWA warehouses. Such flexibility in controlling costs enables you to expand your business without risk, and to make important savings by using our warehouses instead of operating your own branches at a fixed overhead.

Full details of the AWA Plan are described in our 32-page booklet, sent free on request.



**AMERICAN
WAREHOUSEMEN'S
ASSOCIATION**

1854 Adams-Franklin Bldg., Chicago, Ill.

When writing please mention Nation's Business

Fashion Knows Where She Is Going

(Continued from page 42)

wherever there is any possible basis for liking or disliking the appearance, the smell, the sound, or the feel of any object. A reaction of personal like or dislike is an expression of personal taste.

Wherever personal taste is expressed there one finds a tendency of many people to like or to dislike the same things. This is the reason for the enthusiasms of large masses of people for various schools of painting, literature, music and architecture. These mass movements in personal taste also find expression in preferences for certain pastimes, sports and even games.

Golf, baseball, football and tennis are old favorites, but note the change in taste for sports in the growing interest in miniature golf. Similarly there seems to be an important transfer of interest from contract bridge to backgammon. Changes in taste for popular music are evident from year to year. The dominance of jazz during the past ten years is an example.

Changes in entertainment

THE movies and the legitimate stage also must contend with their eras of changing tastes. Even in vaudeville recent years have brought a surprising evolution of taste. Gone are the old-time gags in Dutch and Irish dialect. Now the joke about the Scotchman brings the best response. There has been almost a complete transfer of interest from toe and other forms of aesthetic dancing to tap dancing. The decline of interest in silent motion pictures and the rapid rise of the talkies is another case in point.

These changes in mass taste and consumer demand are designated by the term, fashion. The styles that are approved and accepted by considerable numbers of people become the fashions of the time.

The common use of these two terms is much confused. In ordinary conversation they are usually taken to mean the same thing. They are really two different things. For practical business purposes it is helpful, if indeed not absolutely necessary, to distinguish carefully between them, for business is done on fashions rather than on styles as such.

Let us illustrate the difference between styles and fashions.

At any given time hundreds of de-

signs are usually available for consumer choice and use in almost every line of goods. Of these, the masses of consumers actually accept only a few. Some term or name is needed to designate the multitude of designs old and new, out of which consumers may make their choice. Another term is needed to designate those designs that are actually approved and accepted by mass taste. The word, "style," properly fits the first and "fashion" the second of these two groupings.

Fashions and styles

IN definition, therefore, a style is any distinctive design, creation, invention or mode of expression within any art. A fashion is a style that receives approval and is accepted by the public. A style is a fact of art. A fashion is a fact of social psychology, of consumer reaction to certain styles.

The business interest in fashion movements may perhaps be best expressed by three questions:

1. What are the current fashions?
2. What are the trends of these fashions?
3. What will the next fashions be?

Happily the study of fashion has gone far enough to give help in answering each of these questions. It is possible to determine exactly what the present fashions are. There is no longer any excuse for lack of knowledge on this point. The method is simple. The answer can readily be obtained by the simple process of counting. It is only necessary to go out among the classes of people in whom you are interested, count the number following any given fashion and determine the ratio of this number to the total group. If a proper number of persons are counted, and if the people counted are accurately representative of the market, then the count shows precisely what the current fashions are, and their relative importance to each other and to the total number of consumers. If 45 per cent of the total number of persons counted wear black hats, 30 per cent brown, 15 per cent gray, five per cent blue, and five per cent miscellaneous colors then the four outstanding colors are the current fashions and the importance of each is measured by its percentage to the total.

The trends of present fashions may likewise be determined by making suc-

LIVES

Protected by STEEL 24 hours a day

FROM one sunrise to another, your life and the lives of your loved ones are under the constant protection of steel.

In your auto, secure in the knowledge of its impact-resisting steel body—

... the sturdy steel railroad coach that carries you safely to an office protected with modern steel equipment—

... your home, guarded in every vulnerable spot by steel, the material that never starts a fire or feeds the flames yet that lends itself to permanency, grace, beauty and utility . . . bedroom furniture, gleaming cabinets, sanitary range, tables, refrigerator, wall tiling, products that offer no lurking place for germs . . .

Even to the school room does the protection of steel extend . . . desks, files, lockers, partitions.

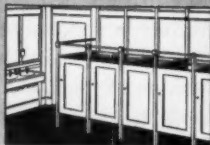
In short, wherever you or yours may be, at any hour or minute of the day, you'll find STEEL protection against

Accident, Fire, Storm, Disease Germs

Speed dominates our mode of living today. To meet its attendant hazards there is one proved, reliable safeguard . . . STEEL. Trade Research Division, National Association of Flat Rolled Steel Manufacturers, 511 Terminal Tower Building, Cleveland, Ohio.



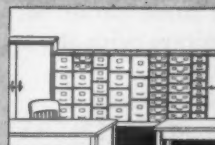
Save with Steel



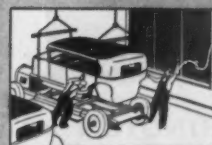
Steel toilet and shower partitions are absolutely sanitary, pleasing in appearance and inexpensive.



Steel equipment is standard in fine hospitals. Extremely durable, easily cleaned and sterilized.



Steel desks, files, lockers, doors, trim and partitions, cut down fire risk—save lives.



Steel automobile bodies, like steel railway cars, have saved thousands of lives.

There are over 5,000 different steel products—saving life, fire loss, drudgery, health, time, depreciation, money, dirt, weight, space or upkeep. Make use of these savings. Buy it in STEEL.

When writing to NATIONAL ASS'N OF FLAT ROLLED STEEL MFRS. please mention Nation's Business

WORTHINGTON




...fits into the picture

NOW, more than ever before, industry can capitalize the advantages offered by Worthington equipment.

Look at it in this way. Net Profits are bounded on the one hand by Gross Income and on the other by Operating Costs. If Gross Income cannot be increased, the only way to boost Net Profits is to reduce Operating Costs.

Here is where Worthington fits into the picture . . . for Worthington has always held to the principle that the only true economy is attained through building into mechanical equipment features which maintain high operating efficiencies and assure uninterrupted performance . . . through successive years of service. Thousands of Worthington installations bear witness to this statement.

It will cost you nothing to discuss your operating problems with a Worthington sales engineer. He will not "high-pressure" you. If he cannot help you he will say so . . . but it is likely that you will draw from his experience some profit-increasing suggestions. Communicate with the nearest Worthington district office.



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For All Services
Any Capacity...Any Pressure

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Works: Harrison, N. J. Cincinnati, Ohio Buffalo, N. Y. Holyoke, Mass.

Executive Offices: 2 Park Avenue, New York, N. Y.

GENERAL OFFICES: HARRISON, N. J.

District Sales Offices and Representatives:

ATLANTA	CHICAGO	DALLAS	EL PASO	LOS ANGELES	PHILADELPHIA	ST. PAUL	SEATTLE
BOSTON	CINCINNATI	DENVER	HOUSTON	NEW ORLEANS	PITTSBURGH	SALT LAKE CITY	TULSA
BUFFALO	CLEVELAND	DETROIT	KANSAS CITY	NEW YORK	ST. LOUIS	SAN FRANCISCO	WASHINGTON

G-67

Branch Offices or Representatives in Principal Cities of all Foreign Countries

WORTHINGTON

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cessive periodical counts of fashions actually in use, plotting these by percentages or other convenient indices in graphic form and noting the directions of the resulting curves. Such graphic representation may then be projected into the future and style movements forecast or predicted.

A graph representing a continuously rising percentage of men wearing stick pins would, if actually found by observation, indicate a continuation of the fashion. If a succession of counts of people showed a declining use of face powders of sun tan shades, it would indicate danger for the future of the sun tan fashion.

Merchandising in goods subject to fashion consists in determining what is now in fashion and what is likely to be in fashion in the future and then providing proper goods to go with these fashions. Profits in merchandising come from having goods for sale when they are in fashion.

Long range forecasting

MEASURING present fashions does not give all the information needed soon enough to help businesses that base their appeals to the public on their fashion leadership. Such concerns must attempt longer range fashion forecasting. Predicting what the fashions will be a year from now is, of course, much more difficult than forecasting what the fashions will be three months hence. Long range forecasting involves not only a careful plotting of the curves of current fashion trends, but also an intensive study of experiments with styles that are not yet fashions. It is out of these experiments that the future fashions grow.

The technique of checking current fashions and their trends is simply accurate observation and arithmetic. The technique of checking early style experiments to determine their future fashion potentiality calls not only for wide observation but also for keen judgment on possible reactions to new styles. This is the work of the fashion observer or stylist who may be helpful to organizations dealing in fashion goods.

In conclusion, every business dealing in fashion goods needs to organize itself to obtain definite, accurate information as to what the present fashions are; what the trends of these fashions are and what current experiments with styles promise for the fashions of the future. It will use this information as an aid to its merchandising with, rather than against or independently of, fashion.

MUELLER'S SPAGHETTI « « One of the many well-known packages turned out on our machines . .



The wrapping machines, operated in pairs, are fed from the carton-forming machines in the rear. One girl supervises the feeding and operation of each machine, and two girls pack the wrapped cartons in containers. Each wrapping machine produces 70 packages per minute.

THIS view, showing a section of the wrapping department of the C. F. Mueller Company, is but one example of hundreds of installations of Package Machinery Company machines, which wrap the bulk of America's package goods—over 150 million packages per day.

If you could visit the numerous plants where our machines are used, you would be impressed with the great variety of products wrapped—spaghetti, crackers, chewing-gum, lollipops, cigars, stick-candy, soap, yeast cakes, just to mention a few. Each product presents widely different wrapping requirements. Each manufacturer has his own particular problems. And it is in the solution of these various problems for such a vast number of manufacturers that the Package Machinery Company has acquired so rich a fund of valuable experience and knowledge.

When you have a packaging problem, bring it to us—*solving problems built our business.*

PACKAGE MACHINERY COMPANY, Springfield, Massachusetts
New York Chicago Los Angeles
London: Baker Perkins, Ltd.



New Courage for Salesmanship

By JOHN D. BLAINE

★ IN AN editorial, "When Selling Regains Its Courage," Merle Thorpe declared that one reason for the depression was that selling had lain down on the job. Mr. Blaine carries the discussion a step farther. He presents and explains some reasons for selling's failure to sell—and prescribes some cures for the situation

WITH a business friend I was discussing Merle Thorpe's editorial, "When Selling Regains Its Courage," in a recent issue of NATION'S BUSINESS.

"One thing the matter with selling," this executive said, "is the present spree of indulging in doubts. You recall Solomon's proverb, 'The slothful man saith, 'There is a lion without, I shall be slain in the streets.' Well, a potential laggard seems to lurk in each of us. And the laggard is bluffed by nothing else so easily as the lion of Doubt.

"Many a doubt is enlarged in the exchange of opinion, through lack of insight into the other fellow's problems. Today as never in recent history it is important for different kinds of business to understand each other.

"For example, take the retailer. Manufacturer, middleman, and banker constantly need to keep up to date in their knowledge of his problems. Today, especially, he is depending on them for sound advice. He needs their help in clearing up his doubts."

Since it is part of my job to search out successful merchandising practices and write them up for trade journals, I found those suggestions particularly interesting. I agree that the retailer needs the help of those others in clearing up his doubts.

They, in turn, certainly need the retailer's help in restoring courage to selling. The stream of distribution is comparable to the flow of water in a pipe. Retailers are at the lower end, each at his faucet. What good is done if manufacturers, middlemen, and bankers bring their booster pumps into action, if the flow through the faucets is not free?

But we face this difficulty. The dealers' logical advisers do not always agree. Just now, for example, opinions differ rather widely about a vital factor in selling, the price leader. Many manufacturers and middlemen feel, and rightly, that retailers have abused the price leader. For the good of selling it begins to appear highly important that the price leader should be examined from a new point of view.

In fact, with the last two years the entire psychology of the price leader seems to have been changed for the better by developments in cooperative advertising.

Price cutting goes wild

FOR purposes of comparison, let us glance at the status of the price leader as it was under the old psychology. Cutting frequently went wild. For some eight years, for instance, the secretary of a merchants' association to which I belonged was largely occupied in quelling price wars among the members. One dealer would cut and competitors would cut deeper. A reckless price stampede sometimes resulted in which certain items were virtually given away. This situation was duplicated, with varying intensity, in many other places.

From such a price war came bad feeling that often disrupted cooperation in the trade association itself. Dealers frequently blamed the manufacturer for not protecting the price of his goods. The manufacturer himself was hit in many cases because disgruntled dealers tried to throw out his brands or at least substitute others in the actual sales.

With all this in mind it is highly significant to note the difference when

the advertising of price specials is cooperative. Among the good results may be tabulated:

Unreasonable slashing eliminated through control of the price specials by central management.

Ill feeling between competitors replaced by cooperation and good will.

Systematic introduction of new and attractive merchandise.

More complete distribution of quality goods among stores.

Education of consumers to a wider variety of offerings.

A more sustained volume of buying because regular patrons are contented with the selling service of the store.

With such good results to show it would appear that cooperative advertising, under proper conditions, would be generally accepted. But it is surprising to find that even in certain voluntary chains rated as particularly successful the cooperating advertisers only approximate 50 per cent of the membership. That is, members cooperate more fully in buying than in selling.

What is the explanation of this? The center of interest of a large proportion of independent merchants still seems to be in the wrong place, in buying. A glance at the history of merchandising makes this easy to understand.

In my own experience in merchandising, 20 years, it was a rare day when the representative of a manufacturer, a broker, or a wholesaler did not offer me goods at a special price. Yet the same representative often spoke against cut prices at retail. This seemed to imply that the trade stimulant good for manufacturers and middlemen was not considered good for retailers.

I do not speak in criticism of manufacturers and middlemen. We have already seen why they tried to discourage retail price cutting which tended to go wild. But the effect of special prices at wholesale was to make the retailer's buying exciting and dramatic, while the doubts surrounding his selling policies tended to make his selling comparatively tame and uninteresting.

Thus, far too often, the independent

merchant has been right up on his toes as a buyer but back on his heels as a seller. His slogan has been, "Buy right, and selling will take care of itself." This attitude was a poor preparation for competition with the chains. It was equally bad preparation for a business slump.

A tremendously important step toward better selling came with cooperative buying. Through it the buying of the cooperating merchants has been greatly simplified. By its example it has shown merchants outside of buying organizations that scattered purchases are wasteful, that buying should be concentrated on a few dependable sources. All this has released time and energy for selling.

In all frankness let us admit that selling energy leans heavily on emotion. To be a really good salesman, a man must get a kick out of it. This truth was well expressed some time back in NATION'S BUSINESS when W. T. Grant said, "I know of no thrills of sport equal to a carefully planned sale that works."

Cooperation helps selling

THIS brings us back to cooperative advertising, which results in a centrally-managed group sale. The drama of this sale tends to put the merchant right up on his toes in educating and serving the consumer. This example also is "catching," greatly influencing for the better, merchants outside of cooperative effort. Thus selling seems ready for a long stride forward.

But, as we have seen, the forward movement is retarded by doubts. Many dealers await the recognition of the controlled price leader by their logical advisers, manufacturers, brokers, wholesalers, bankers, and others, who are at once "disinterested" in many cases and yet are vitally concerned. For we know that in the strict economic sense, goods are not fully "produced" until fully marketed, in the hands of the consumer and paid for.

To sum it up, more confidence is needed in the practices of practical men.

"Selling will regain its courage," said the executive previously quoted, "as the rank and file adopt the methods that the more practical and aggressive sellers are already using."

"Mr. Thorpe has suggested that the churning process will bring up from the bottom strange names and strange faces. We probably know some practical men, now comparatively obscure, who will be among them. They are already performing in their limited fields without tender-mindedness and without doubting."



The Baltimore Refinery of The American Sugar Refining Company, comprising 15 individual structures with a floor area of 800,000 square feet, over 18 acres, was built complete by Stone & Webster Engineering Corporation.

On completion of the Refinery the client wrote:—

" you have rendered a service to this company marked by skill, efficiency and co-operation of a pronounced character, and we take this opportunity of congratulating you upon your part in this great enterprise and know that you share our pride in its completion."

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BUILDERS and ENGINEERS
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WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

A READER, having read my recent review of "Universities" by Dr. Flexner, wonders what my comment would be on a thought that has been running through his mind.

"In my own experience," he says, "I have always found my interest in culture, such as I have, rather at war with my business side. I think that culture and business are followed in different moods, and that one mood tends to exclude the other. Thus a business man can pursue culture much better after his success is assured.

"As examples we have James Truslow Adams, who had a cultural background and tried business but could not stand it. Now he studies and writes. And Henry Ford, who is credited with saying that he wouldn't give ten cents for the finest painting in the world. But he certainly likes business. These examples are extreme, perhaps, but they serve better to illustrate the point.

"If scholars were better business men, they would be running our businesses. Keyserling, in his "Travel Diary," says of the American business man that his will is so strong that his nature seems 'hard and elastic like steel.' John Cowper Powys, in "The Meaning of Culture," remarks, 'The less culture people have, the more resolute seems to be this interior resistant energy.'

"It seems to me that Dr. Flexner is a case in point. His antagonism to practical courses suggests antagonism to practical affairs. A youth that I know, who graduated from a western university in liberal arts last year, should be after Dr. Flexner's own heart. But at the suggestion of his parents that he get a job in the business field, he declared that the thought of business was 'absolutely sickening to him.' He wants to write fiction.

"Doubtless some business men would rather resent the idea that a business man can't be cultured. And some of them can. But it seems to me that they are exceptions. The longer I live the



Joseph Stagg Lawrence champions the unit bank in his newest book

more I am convinced that the average man cannot be all things. Business stands for the strong, rugged, virile side of life. In our age it requires and attracts the very strongest powers in human nature—even prize fighters need business managers."

The writer of the letter has introduced a provocative idea. I do not think his fears about the antagonism between business and culture are groundless, but I think they are exaggerated. The capacity for genuine culture is limited to a few in each vocation. For this reason it seems to me that real culture is as rare among college professors as it is among business men.

The sensitiveness, the intellectual curiosity, and the open-mindedness that mark the cultured individual may actually handicap a man in the rough-and-tumble conflict of business. On the other hand, they may help him. Examples could be cited to bolster either side of the question.

Although it is certain that few men can be all things, we cannot escape the obligation to expose men to all things. If culture doesn't take, society at least has done its duty. Culture may limit the

business careers of some, and broaden the business careers of others. It cannot be proved that Otto Kahn would be a better financier if he snored at the opera, or that J. P. Morgan would have been a better banker if he had been as indifferent to art as Henry Ford.

JOSEPH STAGG LAWRENCE compiled and wrote "Banking Concentration in the United States" early in 1930, and signed the preface Oct. 26, 1930. If his data included the 1930 record, some of his conclusions might be altered or they might be enforced with stronger evidence. I am not prepared to say.

Data of the last decade does not, in the opinion of Lawrence, warrant the abandonment of the unit bank, financed by and serving a single community. The facts, he maintains, do not support the usual contention that big banks are safer and more profitable than small banks. The record of branch banking in our own country and in other countries is not as perfect as its advocates assert. Lawrence urges us to go slowly and study the record carefully before we permit radical changes.

Students of banking practice and practical bankers will find this book a source of valuable information. Supporters of the unit bank will acquire vast stores of new figures to throw at the branch-bank fanatics.

As a layman, I was impressed by the case for unit banking, so painstakingly prepared and attractively presented by Lawrence.

THE biographical portrait of Albert Einstein² by his friend, Anton Reiser, contains a statement by Einstein in which the scientist says:

"I found the facts of the book accu-

¹Banking Concentration in the United States by Joseph Stagg Lawrence. Bankers Publishing Co., New York. \$5.

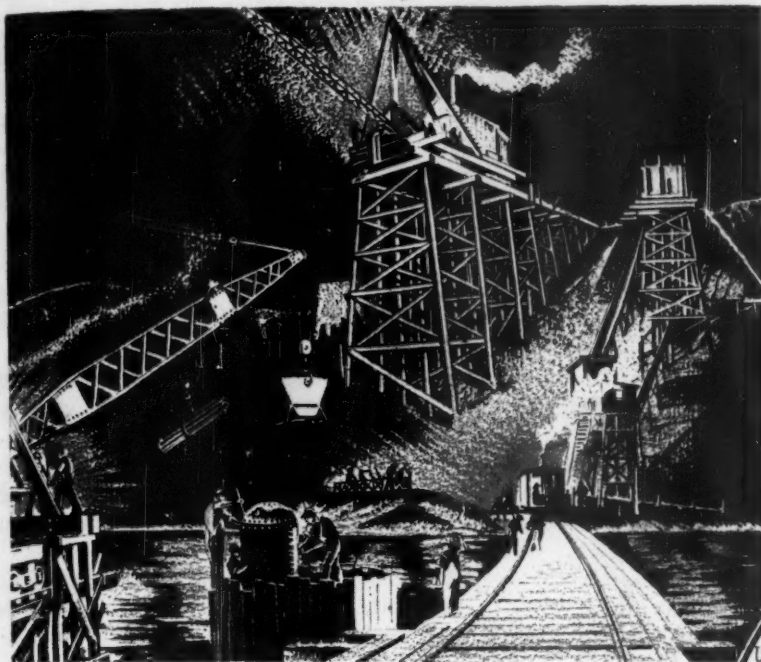
²Albert Einstein by Anton Reiser. Albert and Charles Boni, New York. \$2.50.

Bridging The Treacherous Canadian-

To Bring the TENTH
MAJOR RAIL OUTLET
TO

AMARILLO

The New \$165,000,000
Distributing Center



Nineteen miles north of Amarillo this 1,800-foot bridge will span the Canadian River on the Santa Fe's new 220-mile line from Amarillo to Las Animas. This new road, with new connecting lines, will cost \$17,000,000.00 . . . 1930's largest rail construction authorization!



At the end of 1926, rail lines of the Amarillo trade empire totaled 2,215 miles. Since then, 1,682 miles of additional trackage have been built, are under construction, or await authorization. The increase is 76 per cent in less than five years! Last year 45.5 per cent of all of the new lines approved for the nation were centered at Amarillo.

This remarkable record reflects the startling growth and development of Amarillo's market. Larger than Pennsylvania in area, population increased 121 per cent in the decade just ended. Every year, 200,000 additional acres of raw land go into cultivation. Oil fields dot entire counties. The natural gas is being piped everywhere. Villages have become cities almost overnight.

Amarillo is the natural and undisputed distribution hub. Competitive cities are 221 to 464 miles distant. In 1929, the volume developed by 123 wholesalers totaled \$151,611,959, and is estimated at \$165,000,000 for 1930. The railroads maintain 102 miles of trackage in the city and provide 45 package and eight express cars daily. Thus, by rail or by truck, all points within 200 miles receive overnight deliveries.

Here is a new and changing situation on your sales and service map, which you might very well analyze again at this time! Your inquiry will bring you general informative literature; and, if desired, a special summary of the particular opportunity for your company at Amarillo . . . all in strict confidence. Just address: Manager, Development Bureau . . .

Within this 1,000-mile circle . . . comprising all or parts of thirteen states and Northeastern Mexico . . . Amarillo is one of only five distribution centers, with rail outlets in at least ten important directions.

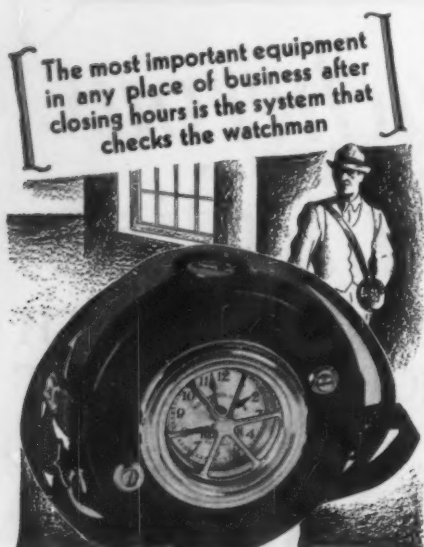
Improved highway facilities have kept pace. This enables twenty Class A truck lines to radiate out of the city on regular schedules over designated routes, and effectively supplement rail distribution.

Furthermore, the Amarillo trade territory is outstanding in the nation for sustained ability and inclination to purchase merchandise. All leading maps of business conditions have reported this area in the 'white' throughout the past two years . . . often the largest good business section, and sometimes the only one!



CHAMBER OF COMMERCE AMARILLO, TEXAS

When writing to AMARILLO CHAMBER OF COMMERCE please mention Nation's Business



DETEX NEW MODEL NEWMAN

The Standard Newman
is now Interchangeable

The New Model Newman offers the great advantage of the old, that is the making of a record that could not be disputed or altered, and offers also the new feature of interchangeability.

The recording mechanism has been improved so that the same security of service is provided, but without the necessity of returning the clock when stations are to be added or new keys made.

This feature not only adds to the continuity of service, but also serves to make the system fully interchangeable within the plant. Clocks in a system can be provided with proper combinations so that all keys of the system will register in all clocks. Stations can be added and routes shifted as desired.

The Detex Newman offers to an even greater degree those qualities of certain recording, proof against tampering, durability and service that have long made it the leader among key registering clocks.

Send for complete information.

DETEX WATCHCLOCK CORPORATION

4153 Ravenswood Avenue, Chicago, Ill.
29 Beach St., Boston 80 Varick St., N. Y.
Room 800, 116 Marietta St., Atlanta

Manufacturing

NEWMAN · ALERT · PATROL
ECO WATCHMAN'S CLOCKS

Approved by the Underwriters' Laboratories, Inc.
and the Factory Mutuals Laboratory

NEW MODEL DETEX

Representatives in all large cities in America and abroad

DETEX WATCHCLOCK CORP.
4153 Ravenswood Ave., Chicago, Ill.
Send me information on the new model Detex
Newman Watchman's Clock.

Name

Address

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NB4

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rate, and its characterization, throughout, as good as might be expected of one who is perforce himself, and who can no more be another than I am. What has perhaps been overlooked is the irrational, the inconsistent, the droll, even the insane, which nature, inexhaustively operative, implants in an individual, seemingly for her own amusement. But these things are singled out only in the crucible of one's own mind.

"This is as it should be. For, otherwise, how could the isolation of distance be approximated?"

Reiser gives the reader a purely objective view of Einstein. As Einstein suggests, he probably tells us as much about the man as an outsider could. Unfortunately, the public's curiosity is insatiable.

It wants to know far more about the great genius than appears in this biography. Einstein admits in the paragraph I have quoted that the interesting part of himself probably cannot be communicated.

In the closing paragraphs of the book, Reiser reflects that it is a tribute to this so-called materialistic age that it has overwhelmingly honored a man whose labor has been pure reason and whose life has been a matter of quiet and modesty.

"It seems," he says, "that even in a period of technique and mechanization, intellectual superiority and intellectual creation are the highest of all values."

The book is recommended to those who wonder what manner of man is Einstein, what he was like in his youth, how he got started, how he lives, and what he does for recreation.

THE Horse Association of America, Wayne Dinsmore, secretary, Union Stock Yards, Chicago, is publisher of a four-page leaflet, No. 203,³ which bears the following title:

"Childless Marriages—Fewer Mouths to Feed. A World Economic and Agricultural Trend. Farm products will be cheap for long years to come. Overproduction and declining consumption make this inevitable. Cheap grains and forage mean cheap feed for horses and mules, and forecast a consequent increase in use of animal power."

The writer proceeds to develop his thesis in detail. He mentions birth control as one factor that is reducing the farmer's market. Another is the increase in sedentary occupations. Stoking, excavating, and plowing are no longer

³Leaflet No. 203, Horse Association of America, Union Stock Yards, Chicago. Free upon request.

done by human muscle; hence there is less need for heavy eating. It is fashionable to be thin, which is another reason for the declining market for foodstuffs. People wear fewer clothes and walk less, and have therefore reduced the demand for leather, cotton and wool.

Scientific methods of soil cultivation and seed selection have increased crops enormously, while we are breeding and raising cattle that yield more beef in one and one-half years than cattle formerly did in three, and pigs that yield more pork in six months than the old type yielded in ten.

The author of the leaflet offers a solution for the small farmer. He advises him to substitute horses and mules for mechanical power.

The argument is that horses and mules may be raised to three years of age for \$90 each, and they may be maintained at farm work for \$50 or \$60 a year, if care is taken to provide good pasture and to keep the animals out on it when they are not at work.

Not only is the initial cost of horses low, but the depreciation in value is slight. A tractor may bring little or nothing after five years' use, but a horse will bring almost as much as it cost. Furthermore a large share of the feed utilized by horses is feed that would go to waste otherwise.

The author concludes:

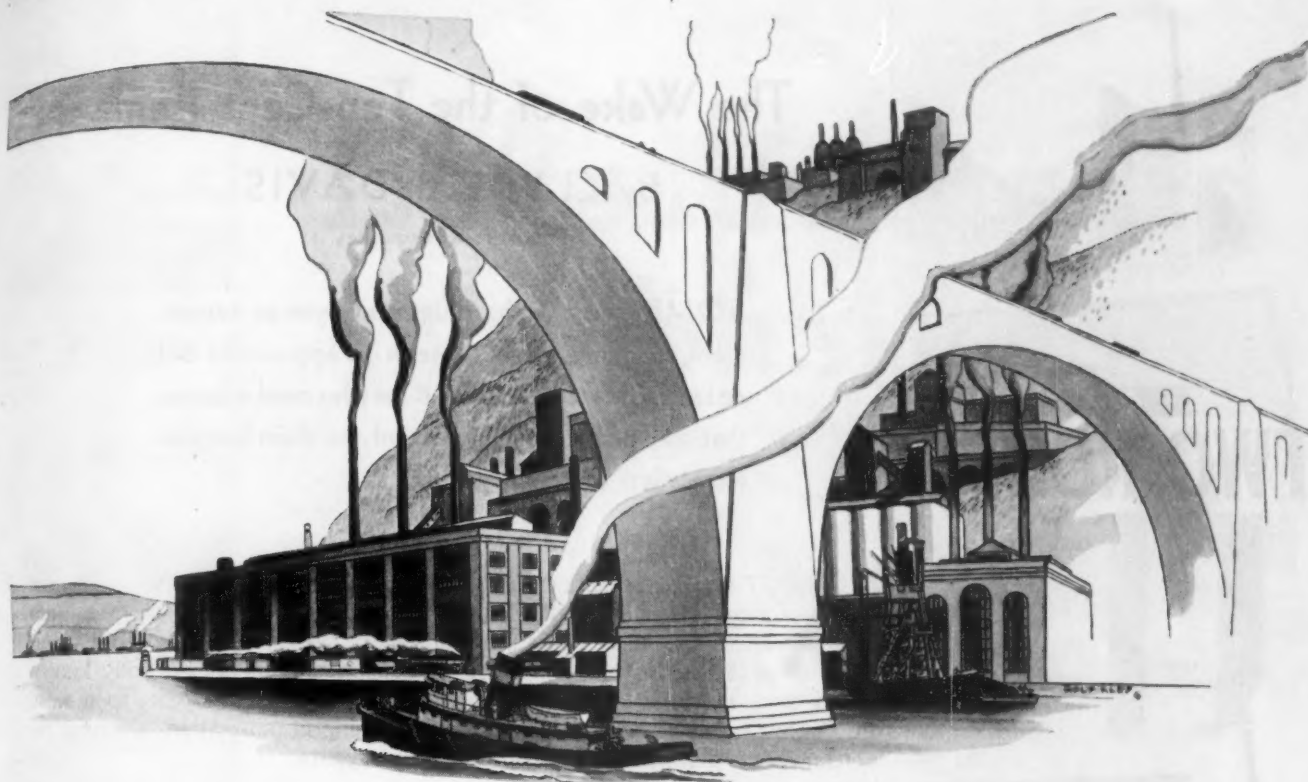
"Farmers of the central west who have seen their net income more than cut in two during a time when 'government relief' was functioning, are going to start some relief at home—at once!"

"They will do this by shifting much of their tilled land to grasses, and by substituting horses and mules for mechanical power. For horses and mules, used in large units and maintained at low cost by practical methods, afford immediate farm relief—both through lessening expenditures and through easing up surpluses thrown on the open markets."

I found this leaflet more thought-provoking than anything I read last month. It revealed the far-reaching effect of diet, style, birth control, late marriage, and labor-saving machinery on farm populations that heretofore have considered themselves as remote as Chinamen from such modern tendencies.

Incidentally it is worth noting that the author does not attempt to dissuade the farmer from ownership of an automobile.

"Farm families," a banker told him, "will keep an automobile, even if they go broke and are sold out at sheriff's sales."



BIG BUSINESS buys *RIGHT*

START at the Pacific Coast and come east to New England. In every section of the country you will find big industrial corporations insured in *mutual* companies.

Such corporations are the largest buyers of the casualty forms of insurance. The workmen's compensation risk alone of many of these policyholders carries a premium payment of many thousands of dollars a year.

This concentration of leading risks in mutual companies holds a significance for any buyer of casualty insurance—the car owner, the home owner, the retailer, the smaller compensation risk. For it is obvious that these large lines of casualty insurance are placed only after serious thought, careful comparison, searching investigation.

The large corporation insists above all else on sound protection—the ability of the insurance company to pay when

a loss occurs. Next, assurance must be given of the organization and the willingness to render the thousand and one minor and major forms of service that such an account requires. Finally, the cost of protection and service must be equitable—right.

Mutual casualty companies hold their industrial policyholders year after year, proving that they meet the exacting requirements of the biggest buyers.

The Mutual plan of insurance, founded by Benjamin Franklin in 1752, differs from any other form of insurance. A mutual company is owned by its policyholders who share in its success through annual dividends. There are no stockholders. Since standard premium rates are charged, mutual dividends effect a considerably lower net cost to the policyholder.

A thorough knowledge of mutual insurance will be of value to anyone with

any casualty risk to protect against. An interesting booklet will be sent on request. Address the National Association of Mutual Casualty Companies, 180 North Michigan Ave., Chicago, Illinois.

MUTUAL PROTECTION IS AVAILABLE
FOR THESE CASUALTY RISKS:

Accident • Automobile (all forms)
Burglary and Theft • Fidelity
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55,000 Swift & Company Employees
Mutually Protected

Swift & Company! A vast international packing business so efficiently operated to the minutest detail that it almost passes belief. The protection of this army of



workers on workmen's compensation risks was an important problem to Swift. The answer was found in the stability, safety and economy of mutual casualty insurance.

MUTUAL CASUALTY INSURANCE

An American Institution

These Old Line Legal Reserve Companies are Members of NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES and AMERICAN MUTUAL ALLIANCE

Allied Mutuals Liability Insurance Co., New York City; American Mutual Liability Insurance Co., Boston, Mass.; Builders Mutual Casualty Co., Madison, Wis.; Central Mutual Casualty Co., Kansas City, Mo.; Employers Mutual Casualty Co., Des Moines, Ia.; Employers Mutual Liability Insurance Co., Wausau, Wis.; Exchange Mutual Indemnity Insurance Co., Buffalo, N. Y.; Federal Mutual Liability Insurance Co., Boston, Mass.; Hardware Mutual Casualty Co., Stevens Point, Wis.; Interboro Mutual Indemnity Insurance Co., New York City; Jamestown Mutual Insurance Co., Jamestown, N. Y.; Liberty Mutual Insurance Co., Boston, Mass.; Lumbermens Mutual Casualty Co., Chicago, Ill.; (American) Lumbermens Mutual Casualty Co., of Illinois, New York City; Merchants Mutual Casualty Co., Buffalo, N. Y.; Michigan Mutual Liability Co., Detroit, Mich.; Mutual Casualty Insurance Co., New York City; Texas Employers Insurance Association, Dallas, Texas; U. S. Mutual Liability Insurance Co., Quincy, Mass.; Utica Mutual Insurance Co., Utica, New York.

When writing to NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES please mention Nation's Business



TWO ROOFS

but THERE'S A DIFFERENCE

Similar in appearance, both are metal . . . but different in every other detail. One will far outlast the other.

The vital difference is in the protection the roof itself has against wear and corrosion.

LEADCLAD differs from every other form of roofing. It is sheet steel (for strength) protected by a thick jacket of Pure Lead . . . and Lead Won't Rust. Light, strong, fireproof, weatherproof, easy to handle, LEADCLAD affords fullest protection years longer than the ordinary roof. Because lead is impervious to most acid fume conditions, the factory or commercial structure roofed with LEADCLAD obtains a double protection, particularly in large industrial centers where fume laden atmosphere quickly destroys many types of roofing.

Many large industrial corporations and railroads (names on application) attest the durability of LEADCLAD under unusually severe roof conditions.

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Investigate LEADCLAD thoroughly for your next roofing or re-roofing job. Send for the booklet "LEADCLAD Defies Age and Time," containing complete information about this economical roofing material.

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The Wake of the Ten-Cent Item

By CLYDE B. DAVIS

Editor, Toilet Requisites

SOME time ago the druggists began an experiment in selling ten-cent items. It apparently did not turn out well, but from it they learned a lesson that may prove helpful not only to them but also to retailers of other goods

ABOUT a year ago more than 500 items of toilet goods, drugs and allied articles were being made in this country to sell at ten cents over the counters of the drug stores. In the ratio of four to one, secretaries of pharmaceutical associations were declaring themselves in favor of the ten-cent table as an experiment worthy of sales effort.

Among manufacturers interrogated by a trade publication more than 60 per cent were on record as favoring the marketing of ten-cent articles aggressively by drug stores.

At least three publications were claiming credit for starting the movement or developing it.

A few of the manufacturers have said since that they hoped to develop this outlet for ten-cent items as a new field for sampling. Others believed it would grow into a profitable business in itself. Few of them know to this day even the approximate cost to them of their ten-cent business and a large part of the cost is being marked against the profits on larger units.

From the beginning several of the larger jobbers were skeptical, but they felt that it was their business to supply the demand.

Independent druggists said frankly that they saw in the plan an opportunity to combat encroachments made by the five-and-ten-cent chains, the drug chains and department stores. They hoped the ten-cent sales would be additional sales and would not cut into their volume on larger units. They said, however, that larger units, through cut-price tactics, were being sold competitively for so little profit that there would be more profit in a ten-cent item than in a 50-cent article cut to 39 cents or less.

Small tables were supplied to drug-

gists, in combination with goods not nationally advertised. The manufacturers of these combination outfits and the manufacturers of nationally known articles selling for ten cents soon were advertising in publications reaching retail druggists.

Everyone pushed them

MANY druggists who feared the result might be far different than they had been asked to expect, put in tables in self-defense against nearby competitors.

Publishing organizations dealing with drugs and toilet goods were swamped with inquiries from manufacturers, jobbers and retailers.

Men of wide experience were enlisted to uncover all known facts and to make suggestions. The facts and suggestions given here are the result of disinterested investigation undertaken to help manufacturers, jobbers and retailers profitably sell more merchandise.

More of nearly everything was involved than appears on the surface. Everybody concerned recognized the value of speed. The ten-cent idea was going like wild fire. The thing to do was to get in on the ground floor or find a good reason to stay out. How hard would it be to get out after getting in?

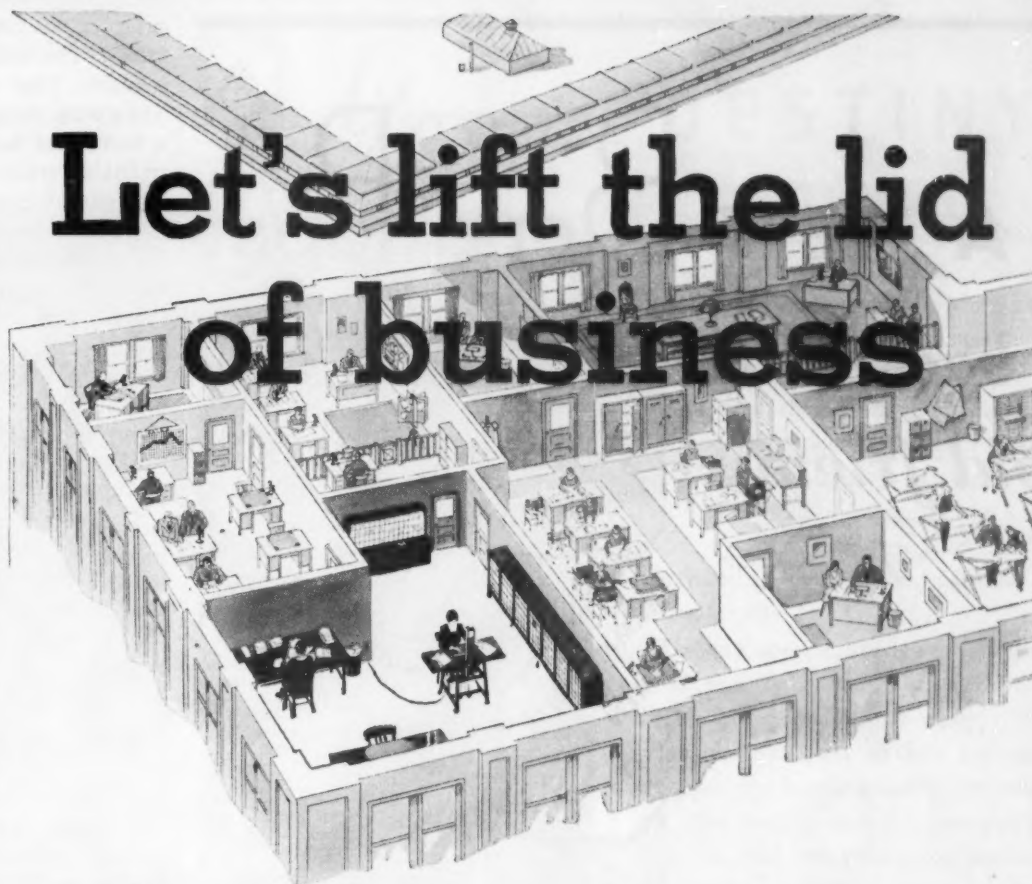
Back of this ten-cent counter plan is a sound merchandising idea which is going to revolutionize thousands of drug stores and pour on into other retail outlets.

It is the idea of open display. It is being discovered slowly, in the wake of the hastily adopted ten-cent idea.

With several months in which to investigate and to weigh experience, a great deal has been learned about the ten-cent table in drug stores.

Several years ago at least two large

Let's lift the lid of business



and see the modern way of keeping and writing records



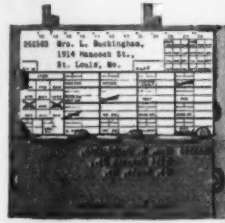
Fundamental records of prospects, dealers, salesmen, members, subscribers, tax payers, customers.



Fundamental records of employees with related data, such as clock numbers, rates, salaries, etc.



Fundamental data or informative record of materials, parts, specifications, formulae, etc.



Fundamental customer records providing space for day to day notations of purchases.



The Addressograph illustrated is the new, low-priced, all purpose, electric model, which mechanically transcribes fundamental business records at high speed—\$185 at factory. There are also hand operated models and super-speed automatic models from \$42.50 to \$12,000.

The proper keeping and writing of records is essential to the success of every business concern, large or small. To be of greatest value to the business the records should be permanent, accessible, and in quick-usable form.

Addressograph provides the best, the most modern method not only for keeping, but also for writing records accurately, speedily, and at low cost.

With Addressograph methods your fundamental business records such as records of customers, prospects, employees, materials, etc., are permanently recorded, easily accessible for reference and readily usable. The data is mechanically transcribed, imprinting at high speed your routine business forms such as ledger sheets, statements, collection notices, orders, checks, stock records, sales letters, circulars, in fact, all your business forms.

In the handling of direct mail and sales promotional literature . . . in addition to the numerous record keeping and writing jobs it performs . . . the Addressograph has been for years standard equipment. As a sales and profit builder it has an unequalled record of accomplishment.

A representative in your vicinity will gladly demonstrate the economy of Addressograph and explain its application to your business. There are Addressograph models for every size and kind of business from small hand machines, as low as \$42.50, to the high speed automatics.

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Simply look for the watermark,
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Eight colors and white in the
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it for you promptly.

HAMMERMILL PAPER COMPANY
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Please send me a Portfolio of Management
Bond, the lower-priced paper made by Hammermill.

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drug chains introduced the ten-cent tables. The tables, or counters, were movable. They were given a fair trial. They were discontinued. Over two and a half years ago a widely known and reputable article was stocked in a ten-cent size by drug stores. It cost the retailer less than seven cents. After figuring in the salaries of pharmacists and the cost of wrapping, retailers dropped the ten-cent size. They still do a big volume on the larger units.

Nearly two years ago an organization began to place a ten-cent table in drug stores in key locations, the druggists working on a percentage basis. This firm has quit business.

Druggists expected to maintain full price when they introduced the ten-cent tables. But within a few months department stores and the smaller chains were cutting prices. One of the largest five-and-ten chains was operating on a two-for-fifteen basis west of the Mississippi.

Open display is better

SCATTERED druggists declare they are doing a profitable business with the new tables but admit that the open display of variously priced goods might be far more profitable. In New York City a druggist, after moving his new table several times in the effort to find room for it out of the way of other goods, put it in front of the cash register, where it hid a counter filled with quality brushes. The druggist believed that, while waiting for change, customers would pick up two or three ten-cent items as additional purchases. It has been his experience that too many customers pick up the articles but fail to declare them. This sort of complaint is chronic.

To get a sizable discount on these items, two or three or even four druggists often combine their orders.

In the past few months the druggists have found out a lot about five-and-ten-cent stores. The chains do not pay pharmacist salaries. Their girls merely take in the money and wrap up the goods. The sale in the five-and-tens averages slightly less than 40 cents. The woman who would be a good customer of the druggist isn't drawn to his store by his ten-cent table, no matter if it might save a trip downtown. She doesn't go to the five-and-ten to buy a single item, but because she wants garden seed, a small kitchen utensil, an inexpensive toy and a half dozen other things. On her way out she sees the drug or toiletries sections and is reminded that she may be nearly out of toilet soap, toothpaste or one or more of several items. Just to make sure, she buys a

Heiress to Your DESTINY



"She is still a little girl to her father" . . . but the yardstick and the calendar and the strange questions that she keeps asking prove that soon now she will be a woman.

Soon now this young lady, having attained the responsibilities of womanhood, will be a buyer of virtually all kinds of merchandise under the sun. Soon now she will be ready for YOUR merchandise if your merchandise is ready for her!

Depend upon it, she is not going to think exactly as her mother thinks. She is not going to use exactly the same things. Just as her forbears scrapped the bustle and the pin cushion, the buggy and the moustache cup, she and her young companions will scrap . . . what?

They will not scrap YOUR product, certainly, if you make it and sell it skillfully to meet the demands of these young women and their young men as they appear in your market, and if you speak their language when you advertise.

The J. Walter Thompson Company is an active student of the new markets constantly created by the new generation's changing ideas.

This company keeps watching and interpreting the enthusiasms, the recreations, the dislikes and the indifferences of every new generation in behalf of the distinguished clients whom it serves . . . from seven cities in the United States and from the center of every large population area of every land, except Russia, Japan and China, where offices will be opened as soon as conditions warrant.

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Examine Your Time-Honored Practices

EVERY business enterprise that exists long enough acquires its various traditions. Whether or not they are worthy depends upon the management. Good management looks into the traditions of its organization, especially at budget-making time, and seeks to weed out those that are undesirable and thereby gain something in resources for perpetuating and strengthening those that are worth while.

The preparation and use of a well-ordered budget dictate that expenditures must be governed, not by precedent, but by necessity as indicated and explained by the aims and month to month operations of the business.

Effective *budget control* is based on reliable facts and figures; is a method through which Modern Accountancy serves the creative talents of management with the stimulus and dependable counsel of *timely* and *exact* knowledge.

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Send for this Book



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small tube of her husband's favorite shaving cream.

Although definite allowance is made for theft, the loss is small. The psychology of wrapped goods, numerous clerks, customers at elbows and young men employees who seem to be everywhere discourages dishonest patrons.

The customer is ten-cent minded when she goes into the five-and-ten. The world of ten-cent items is at her fingertips. If the druggist really believes he might do well with a ten-cent table he should visit one of the stores in a small chain to see how far it falls off in efficiency and attractiveness from the stores in the large chains. Then he should think of his own four-foot or eight-foot table.

The writer has had the privilege of going through the books of a buyer who, formerly in the drug business, has been with a five-and-ten chain more than a quarter century. He has been shown through every nook of the headquarters building and the parent store. It was demonstrated to him how marvelously scientific is this matter of specializing in low-priced items.

Science in retailing

THE big chain knows almost exactly how much of any article it can sell in a month or a year in any one of its stores or all of its stores. Display in window and on counter is proportioned accordingly, flexible enough to provide for pushing a certain unusual item or "forgetting" another which cut prices have made unprofitable.

Said this buyer:

"On many items we double our profit on the sale of our own products, which we believe are just as good as the nationally known goods. But our girls don't sell. They merely take in the money. It is our system. So our sales are overwhelmingly of nationally advertised articles. It is a remarkable tribute to advertising. We fear only competing chains. The druggist can't compete with us. It is not in his province.

"If I were to go back into the retail drug business, every Friday night I would arrange a prominent display of every item in the store for which there had been a good demand during the preceding week whether it sold for ten cents or 10 dollars. I would not put one or two items of a kind there. I would pile them up. That is the secret of open display and it is open display that will win.

"It is open display that is luring the druggist, but he thinks it is a ten-cent table."



"Erie 77" west of Susquehanna, Pa.



"Erie 77" is thirty-five years old

Maintaining her schedule with almost uncanny regularity "Erie 77" has for 35 years held an enviable reputation for dependable transportation service.

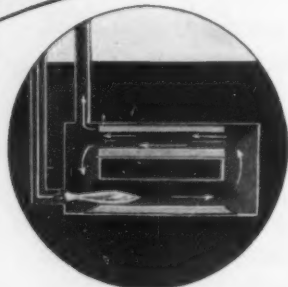
Its schedule provides third morning arrival at Chicago from New York.

There is an Erie representative near you. Let him tell you more about Erie service.

ERIE RAILROAD SYSTEM

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The.. INDUSTRIAL CARBURETOR



Solves hard problems in soft-metal melting . . .

KEMP Immersion Melting with gas, is a patented process by which gas heat is applied *inside* of the metal instead of outside of the pot.

This immersion melting cuts gas bills 35 per cent or more. It melts metal faster. It permits accurate temperature control which means utmost efficiency in stereotyping, die-casting, can making and solder-dip operations in general. Pots last longer, and can be completely insulated. Flame control is automatic—so are savings. One New York newspaper, for example, has been saving \$750 per month in gas through Kemp Immersion Melting.

Immersion melting with gas is made possible by the Industrial Carburetor, a machine that *pre-mixes* gas and air in the ideal ratio for perfect combustion, and delivers the mixture under pressure to the immersion burner units. Immersion melting is but one of the many industrial heating problems that the Industrial Carburetor and Kemp engineers have solved.

Whatever your own problem may be, heat treating, melting, textile work, baking, drying, hand tools, such as torches or irons, Kemp engineers will be glad to tell you whether or not the Industrial Carburetor will save you money, *and how much*.

The coupon below will bring detailed information or, to save time, call Vernon 1166 in Baltimore.

KEMP OF BALTIMORE



The C. M. KEMP MFG. CO.
405-415 E. Oliver St., Baltimore, Md.

We will be interested in having complete information on the Industrial Carburetor, who uses it and why.

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Title _____ Firm _____

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The jobber was in a sort of helpless position, but he is feeling better. His opinions are open now, and are listened to, in this ten-cent business. Here we have condensed paragraphs from the report of the statistical division of the National Wholesale Druggists Association:

Only profitable featuring of ten-cent items by retail or wholesale druggists should be considered. The cost of selling a ten-cent item in a drug store, if the item is in a popular line, is greater than the gross profit. The item competes with regular sizes. It increases the variety the retailer must stock, when the variety should be reduced. The ten-cent size will cease being an attraction once it is sold generally in drug stores. Experience should have taught the druggist that it is better to feature larger sizes.

Developments have not been kind to the manufacturer. Druggists have pulled down from the shelves neglected and soiled items made to sell for 25 cents or 50 cents and have put them on the ten-cent table for disposal. This, above all other things, was feared by the manufacturer. It definitely marks deterioration of the ten-cent table. Prices have been cut. The manufacturer has had time to figure the cost of making and distributing the ten-cent item and he can scarcely believe the evidence.

One manufacturer found that, to hold the same amount of cream, it costs three times as much to make collapsible tubes in the ten-cent size as in the fifty-cent size. The cost of making the container, filling it and packaging it is little less for a ten-cent item than for a fifty-cent item. The cost of distributing the ten-cent article is alarming, manufacturers are finding.

Learning by experience

THE druggist's experiment, generally, is proving costly to him and the manufacturer. But it is working out better than if it had not been tested by the manufacturer, because he would have lost the good will and the business of many druggists on larger units by refusing to make for them the ten-cent articles, especially if he were supplying the five-and-tens.

Now, everybody concerned is learning by experience. More than that, every unit in the chain of distribution is finding out that the idea was at hand all the time, but that it was open display and not merely ten-cent merchandising.

A ten-cent customer usually costs as much in service as a dollar customer. In a survey of the grocery field in a city of more than 100,000 population the

Department of Commerce found that it costs an average of two cents to move an item into the customer's possession. This is 40 per cent on a five-cent bar of soap. It is two per cent on a dollar article. The grocer does not wrap every package. He slips several things into a cheap paper bag and several bags into a discarded box. The druggist wraps items neatly—individually, often, if the customer shops on two sides of the store.

The five-and-ten has developed scientifically as a service of convenience, of emergency and, in addition, for customers who cannot or will not buy in larger units. A druggist might stock horseshoes if he could handle them profitably. No matter what he handles he will make a sale once in a while.

Larger sizes increase profits

GREAT merchants have built on the principle of stocking items that are easy to sell, and increasing the size of the sales unit. If a druggist has 500 customers a day and the average sale is 50 cents, the volume is \$250. If he could raise the average sale to 60 cents the volume would be \$300 daily. But all profit after expenses are taken care of is net profit!

Manufacturers in widely separated industries are finding that profit for themselves and their retailers lies in increasing the size of the sales unit. Ginger ale makers stress larger bottles and more than one bottle in a package. This is fundamentally sound. It is economically correct. The customer gets more for his money.

"Always play the winners," is the advice of a smart merchandising manager. He has in mind the high cost of selling an unknown article, the danger of "white elephants," and the loss of good will.

The retailer who buys a line of goods because of the extra profit margin has little to go to the customer with. But if he buys because of quality, comparatively low price or for any other sound merchandising reason, the same sales talk that sold the article to him will sell it to his customer—if he uses like intelligence and enthusiasm. The druggist, with intelligent, higher paid sales help, can well afford to train his employees to sell. He can't afford to do this with ten-cent merchandise.

One of the trade publications which gave influential impetus to the ten-cent idea finally, personally made a field investigation. Afterwards it admitted editorially that the ten-cent idea did not work out in practice as in theory.

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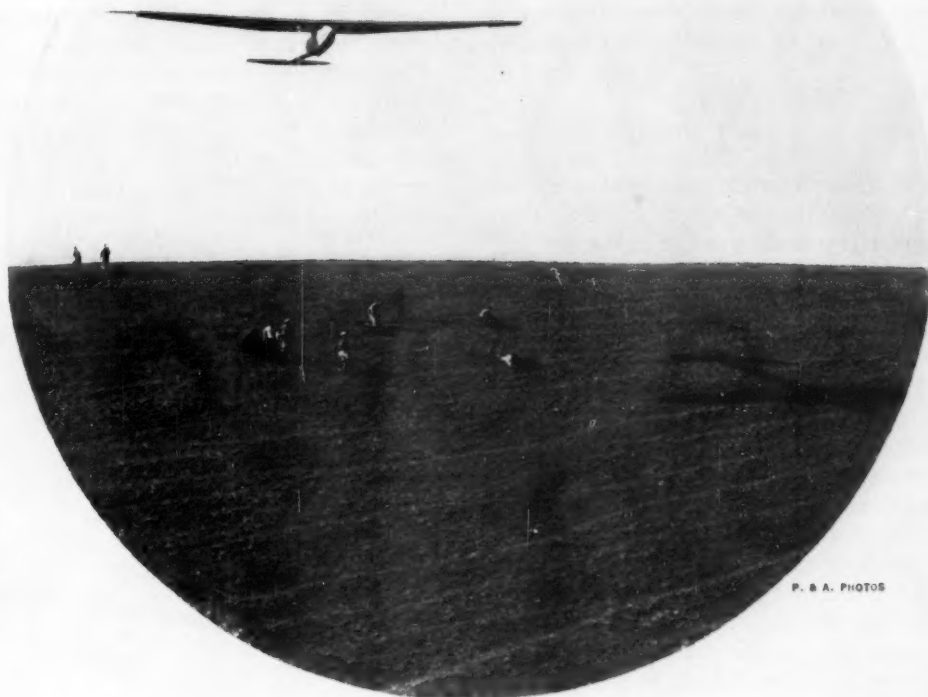
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P. B. A. PHOTOS

The Sail-plane's Place in Aviation

By RAYMOND WILLOUGHBY

Of the staff of NATION'S BUSINESS

THOUSANDS of modern youngsters can't be wrong. Gliding is putting a new and fascinating emphasis on getting up in the world. An older generation that made nothing of lifting itself by its bootstraps will find the problem more gracefully solved with a rubber rope or tow car and a pair of wings. First imported from Germany where it has caught the fancy of school boys and grown-ups alike, gliding has been adapted to the American scene and is now in process of a national development under the tutelage of home-bred experts.

Gliding is more than a sport. It is a continual matching of skill against the odds of gravitation. Newton's law is still strictly enforced, but exemptions are available to the glider in the rising currents of air along hills or ridges, under some clouds, and along the shores of large bodies of water. By searching out these natural elevators, the glider may keep aloft for hours.

Instead of merely coasting down the long invisible hills of

"GLIDING" and "soaring" are comparatively new words in the vocabulary of aviation but they are constantly gaining importance as the newsport wins growing numbers of devotees. It is worth while to find out just what they mean and what effect they may have on power flying

the air in a continuous and gradual descent, he is able to float in the wind—soaring and banking in graceful evolutions that match the craft of the eagle and the falcon.

Recent developments have placed the emphasis on the use of the American developed utility glider—an enclosed fuselage of steel tubing, an efficient wing and the whole combined to permit training, short gliding, and soaring and even airplane towing in the same ship.

As would be expected, gliding was a first step in man's conquest of the air. Lilienthal in Germany, and Chanute and the

Wrights in America were among the pioneers in developing motorless flight. Its present popularity is traceable to German and American ingenuity. Faced with the restrictions imposed on power aircraft by the peace treaty, German technicians and engineers evolved the modern glider. So airworthy are some of the designs that operators have attained a record altitude of 6,000 feet above the starting point, a distance of 102 miles, and a flight duration of more than 15 hours. In this country gliders have attained altitudes of 3,000 feet, a flight duration of more than 15 hours, and a distance of nearly 33 miles.

Associations help boost gliding

NOT long after the Germans began to cut capers in the air Americans started gliding on their own account. Peter Hesselbach, a German university student skilled in the new art, was brought to this country by J. C. Penney, Jr., an American business man, and the American Motorless Aviation Corporation of New York City. Cape Cod was chosen as the scene for his exhibitions, and press and public acclaimed his feats. Years before, "Eddie" Allen of Massachusetts Institute of Technology, the first institution to sponsor the development of the glider on native terrain, had gone to Germany and flown in the international contests there.

More recently the movement has been accelerated through the activity of associations organized specifically for this purpose or already operating in a field of related activity that offers a sympathetic interest. A representative organization of the first type is the National Glider Association with headquarters in Detroit. Offspring of the practical idealism of Edward S. Evans, president of the Detroit Board of Commerce, this association has attracted impressive names to its directorate and is now the proud parent of 66 active local clubs scattered throughout the United States. The total membership is now about 2,000. At least 50 other clubs are being organized and affiliated with the national association.

The California Glider Club was the first organized group to get a glider into the air. Students at the University of Michigan were the first to turn the trick in the ranks of organized college gliders.

In September and October of last year, the National Glider

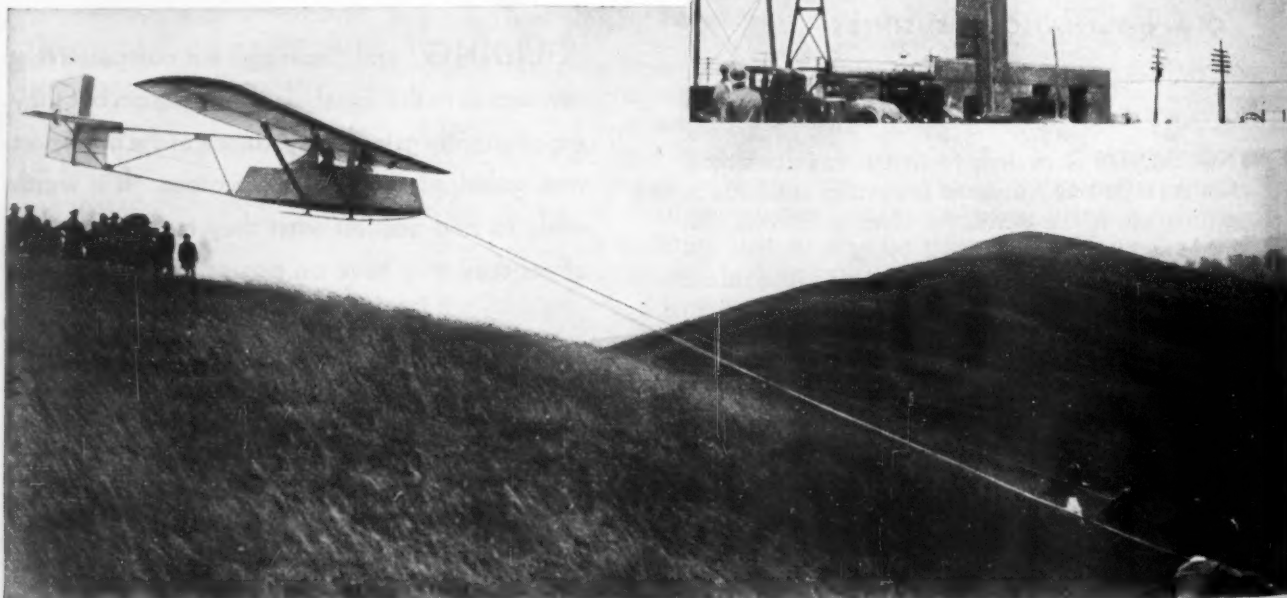
Association held at Elmira, N. Y., the first national soaring contest under sanction of the National Aeronautic Association. Twenty-two pilots with 14 ships were entered. Among those were William H. Bowlus of San Diego, national official duration champion, Albert Hastings of Los Angeles; a team from the Franklin Glider Corporation of Ypsilanti, Mich.; another from the Baker-McMillen Company of Akron, Ohio; teams from two Akron clubs and teams from Norwich, N. Y., Elizabeth, N. J., and New York City. A team from Germany gave the meeting an international flavor.

These pilots flew a total of 118 hours in 11 days. The longest flight was more than seven hours, and there were three of approximately that length. A distance of 33 miles was flown by the German star Wolf Hirth, and an American flew 21.1 miles. An altitude of 3,000 feet above the starting point was unofficially reported.

Glider built light

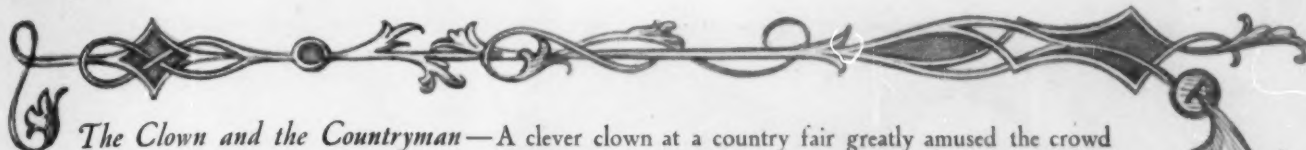
JUST before the contest, Don Palmer, University of Michigan pilot, in a glider designed and built by his fellow students and himself, took off at St. Joseph, Mich., and flew more than three hours, attaining a distance of 21 miles.

The gliders in the contest weighed from 200 to 300 pounds. Contrast that weight with the 2,841 pounds of the prize win-

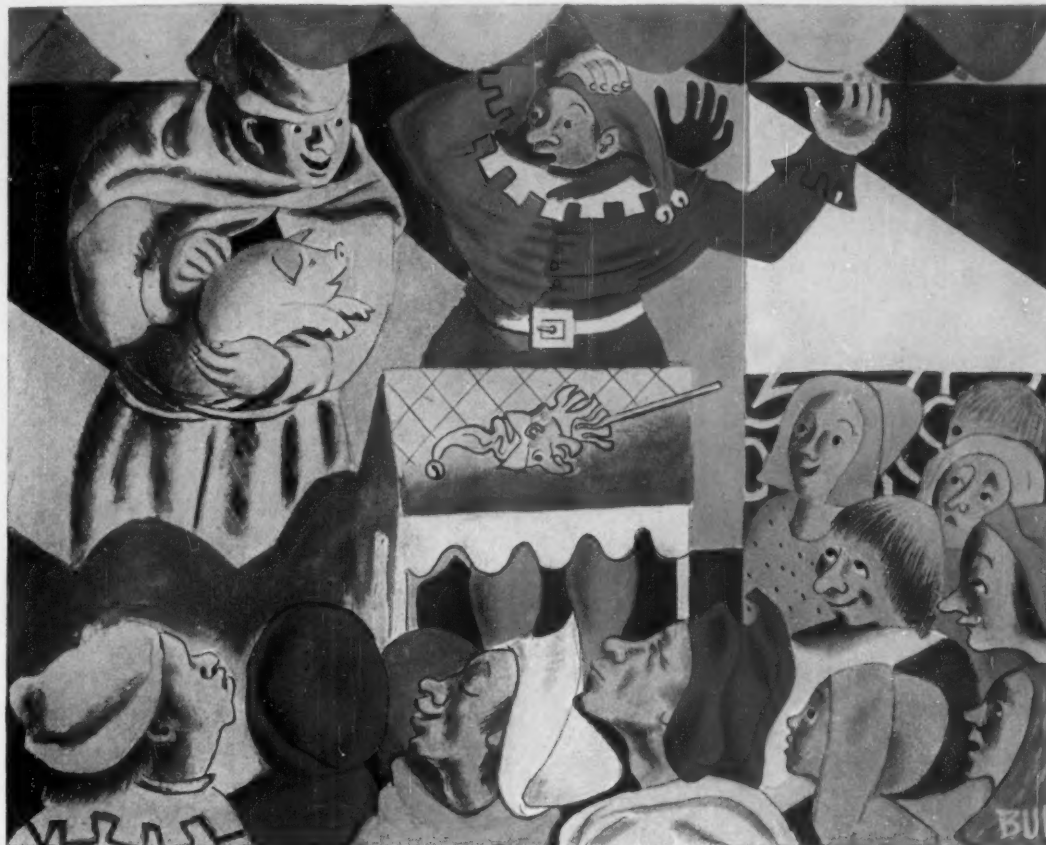


P. & A. PHOTOS

The glider with a two-cylinder motor, shown above, offers possibilities as the flivver plane of the future. Below, the London Gliding Club starts a new two-seater glider on its first test flight



The Clown and the Countryman—A clever clown at a country fair greatly amused the crowd by imitating the squeals of a pig. But an honest countryman won greater applause by surpassing the clown's artistry. Opening his cloak, he showed that a *real pig* had been doing *his* squealing.



Advertising must be more than Honest

Good merchandise advertised with simple honesty is not enough to win today's public. Your advertising must *combine* honesty and artistry. For example, your advertising must portray not only your goods—but also their *desirability*... It takes *thought* and skill to add this powerful selling force to your advertising. It requires a thoughtful plan, message and choice of media. It necessitates careful selection of every detail—paper, illustrations, plates, type

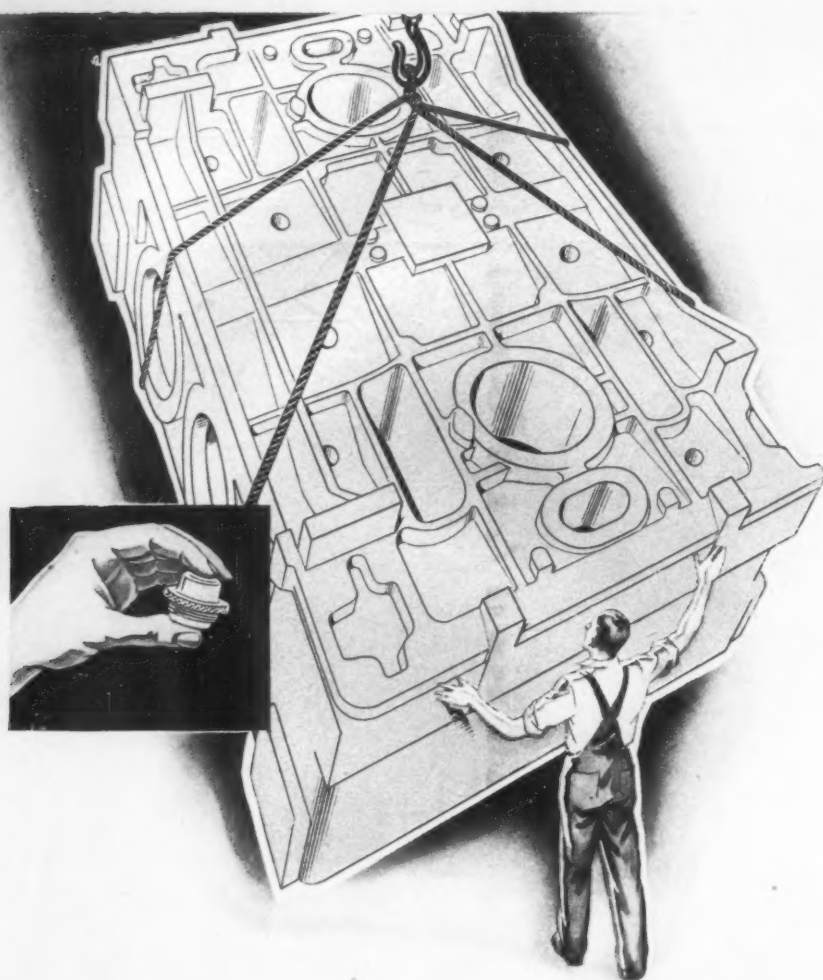
faces and printing ink. It demands thoughtful craftsmanship by a thinking printer or lithographer... Choose advertising and printing people who *think*—then let them use quality materials. For example—I. P. I. inks are so much more than just ink, because they also contain the priceless *extra* ingredients of thought and skill... Let good printers and I. P. I. inks help *you* produce extra-power advertising.

75 VARICK STREET, NEW YORK • BRANCHES IN 26 CITIES

ipi

The International Printing Ink Corporation

When writing to THE INTERNATIONAL PRINTING INK CORPORATION please mention Nation's Business



Be it a bed or a button , , it can be made better from the strong alloys of Alcoa Aluminum , ,

Beds? yes, beds for Diesel and other engines. Buttons? yes, control buttons, signal buttons and buttons for dozens of other mechanical purposes. When you design that next gadget, consider the many specific advantages to be had from Alcoa Aluminum and its strong alloys.

Understand the properties of these alloys and you understand their widespread use. Combining strength with light weight, attractive appearance with corrosion resistance, high heat and electrical conductivity, durability and workability, the strong alloys of Alcoa Aluminum provide all industry with metals the use of which helps it move forward to new accomplishments.

The strong alloys of Alcoa Aluminum can be

cast, forged, machined, welded and otherwise fabricated much the same as, but with advantages over, other metals. Standard metal working equipment can be used in their fabrication.

The cost of Alcoa Aluminum and its strong alloys is low—comparable to other metals not having its specific advantages. Research is constantly advancing the knowledge and the usefulness of the strong alloys of Alcoa Aluminum. Tell us something about your present or projected product and we will tell you whether it can be profitably made of Alcoa Aluminum. Address your inquiry directly to ALUMINUM COMPANY of AMERICA; 2425 Oliver Building, PITTSBURGH, PENNSYLVANIA.

ALCOA ALUMINUM

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ning Challenger-powered Curtiss *Tanager* plane entered in the Guggenheim safety contest, and the gossamer fabric of the glider seems to have no more heft than a bit of thistle-down.

Gliders fall into four broad classifications—primary training, secondary training, utility gliders, and soarers or sail planes. The first type is merely a wing and tail surface, with a suspended framework including the benchlike seat for the pilot. A rudder bar and a control stick, similar to the arrangement in a power plane, enable him to manage the glider's course. There is no enclosed fuselage.

A greater elaboration of the body distinguishes the secondary type. The pilot is virtually enclosed, and the fuselage is streamlined from nose to tail. As stated, the utility glider is a secondary type suited for any purpose. An increase of wing span and a further refinement of the body design characterize the sail planes and soarers.

Good sport and good training

OF COURSE, it is reasonable to ask what's the good of gliding. Well, in the first place, it's an exhilarating sport—nothing like it to give a new perspective on worldly affairs, its devotees declare. More businesslike is its usefulness as preliminary training for power-plane pilots. The air-mindedness and air-consciousness that come from successfully maneuvering a sail plane is no small asset in handling motored craft, as glider graduates are daily demonstrating. If

glider training will cut the instruction period for transport pilots 40 per cent, as has been estimated, the saving in time and expense is obviously worth while.

Certainly the matter of cost invites the belief that the glider must be the "flivver" plane once so widely prophesied. Less than \$700 will buy a well-made utility glider, including safety belt and shock cord, and all that is needed for its use is a terrain of low hills free of obstructions, or a level field for auto-towing. Several manufacturers are now making gliders, and the number is said to be increasing.

Tossed into air by rubber

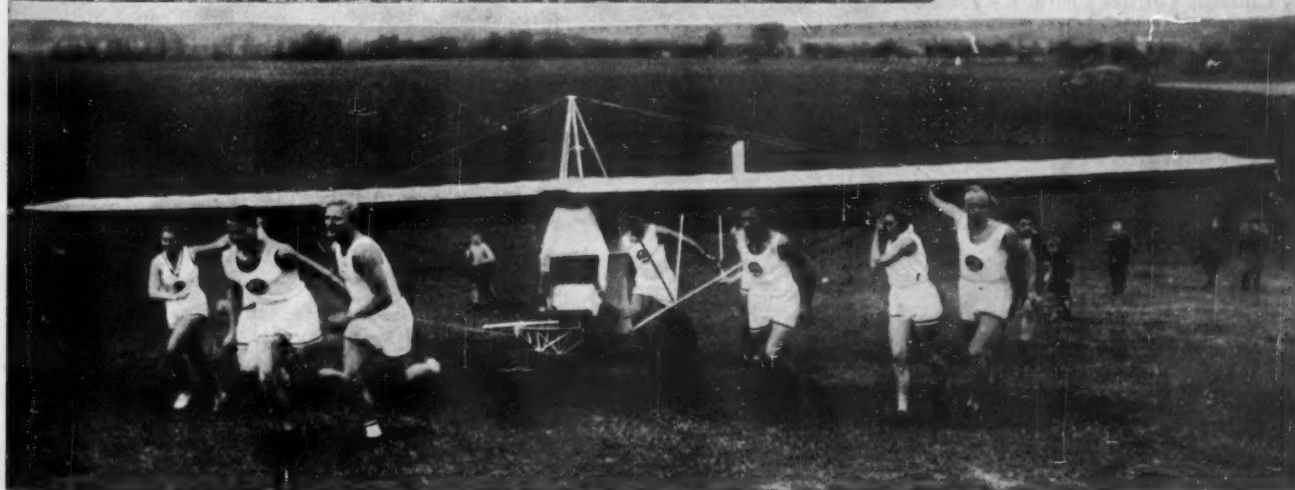
WITH the pilot strapped to his seat, and the nose of the glider pointed into the wind, the ground crew of eight to ten persons takes position. Two sections of three each grip the rubber shock cord, which is something less than an inch in diameter and about 180 feet long. They stand in V-formation with the cord hitched to a hook on the glider's nose. When the rope is tight it stays on. When the tension relaxes, it falls off. Other members of the crew hold the glider by its tail.

When all are at their posts, the pilot—or his coach, if he is a beginner—commands, "Ready, Walk!" and the crew walks out about ten paces. Then "Run!" and the crew runs ten paces. "Turn loose!" and the crew at the tail lets go. At that release the glider is flipped into the air, much like a pebble from a boy's slingshot. Then the pilot must shift for himself.

As the beginner shows progress he is permitted to start higher and higher up the slope, and gradually masters the simpler stages of the sport. Training by auto-towing is more efficient, but requires a thoroughly trained instructor. Soaring in a sail plane with a 60-foot span is another matter.

It is more difficult to find suitable terrain for soaring than for merely sliding down hill on air. A ridge or a chain

The tenth annual international gliding contest in Germany attracted wide interest

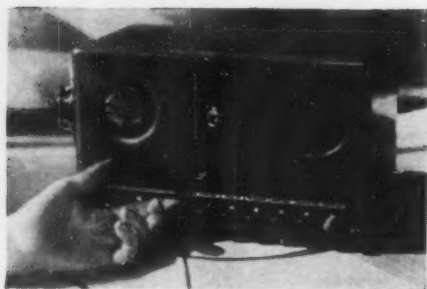


German high school students haul their ship to the top of the hill for another flight. The glider was presented to the school and the students are enthusiastic about the new sport

P. & A. PHOTOS

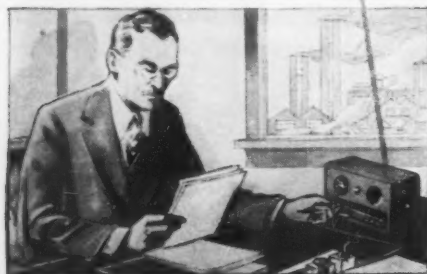
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of hills is desirable. Wind sweeping across valleys is deflected upward when it reaches the ridge, and thereby provides a gratuitous lifting power. This zone of the upwind is as wide as the ridge is long.

Under such conditions the skillful pilot finds his opportunity to fly figure eights back and forth in duration flights. As sail-plane pilots obtain greater experience, steeper slopes with obstructions can be used.

Selection of a ridge that faces the prevailing wind assures the maximum number of flying hours. Wind blowing off a body of water has a tendency to deflect upward when reaching the land even where there are no ridges or hills. For that reason low ridges or hills along bodies of water are more useful than is the case inland.

Instruction for soaring is more complicated than for gliding. Not only the control of the craft, but something of meteorology as well is taught. Plans for schools over the country are being developed.

Average students complete soaring courses in 30 to 60 days. The cost of instruction has not been standardized, and varies with the instructor.

Germany has learned that glider pilots make exceptionally good power plane pilots. Perhaps the fact that several of our standard aviation schools are becoming interested in gliding and soaring reveals a significant trend.

When the wind can't be whistled up, automobiles or airplanes can be used to keep gliders in the air, though this sort of jockeying is not recommended for beginners. A utility glider is required to stand the strain of towing. Of course, the glider may be pulled over the ground until the novice has mastered the controls, and then the speed increased until the glider rises a few feet in the air.

Capt. Frank M. Hawks hitched his glider to an airplane and made a successful cross-continent flight. Col. Charles A. Lindbergh has done considerable experimenting with gliders on the West Coast, and sees an easy and natural transition from motorless to power planes.

The Aeronautics Branch of the Department of Commerce will license gliders under three classifications beginning July 1. Clarence M. Young, assistant secretary of commerce for aeronautics, has explained the groupings as follows:

"Group one will include gliders built by manufacturers under an Approved Type Certificate and gliders constructed by some one other than the manufacturer, but built in accordance with Ap-

proved Type Certificate specifications and design provided by the holder of the certificate.

"Group two will include gliders constructed after July 1, 1931, not manufactured under Approved Type Certificate but constructed in accordance with the requirements for an Approved Type Certificate and to the satisfaction of the Department of Commerce.

"Group three will include gliders built before July 1, 1931, which pass an inspection satisfactorily, without regard to design or manufacture.

"This means that all gliders, regardless of design or by whom manufactured or assembled, will be eligible for license upon passing a satisfactory inspection by the field personnel of the Aeronautics Branch.

"The submission of technical data will not be necessary until after this date, although, in the interim, an approved-type certificate may be secured on gliders approved as outlined by the airworthiness requirement."

Little danger in gliding

"BUT is gliding safe?" people are naturally asking. To this question the glider enthusiasts reply, "There is no danger if you follow instructions."

Colonel Lindbergh believes that "it is probably easier to pilot a glider than to drive a motor car in city traffic."

Hawley Bowlus, holder of an official American duration record of nine hours and five minutes, has declared that "gliding is no more dangerous than riding a bicycle and not nearly as dangerous as driving a motor car."

Because of its light construction, a glider descends slowly. It comes gently to rest and stops within 15 feet or so after it touches the ground. Its speed in the air is less than 25 miles an hour.

The industrial significance of this developing interest in motorless flight is obvious. Every person who comes to a first-hand familiarity with the principles of flight—and the number is growing steadily day by day—is a practical evangelist in promoting the cause of aviation in general. What the youth has learned, the man need not be taught. Gliding offers an inviting means of "selling" personal and individual aviation to the American people.

Young America is discovering for itself that the air is a playground, a laboratory, a fabulous highway, a willing, though capricious, servant. This first-hand familiarity is the hope of American aviation in the future. There is more than an epigram in the saying that gliding is progress in aviation.

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Because they offer so many time-saving short-cuts, you'll find envelopes by the thousand in a newspaper office. Morgue envelopes that keep living history tidily marshaled for a sudden extra. Collection envelopes that forestall mistakes in newsboy arithmetic. Envelopes to protect negatives.

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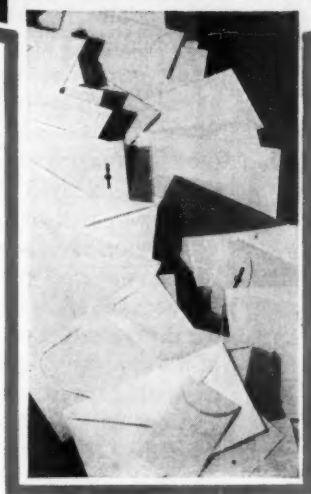
IT'S A LIVE MORGUE when all the "who's who" about prominent citizens is kept on tap in carefully filed and indexed envelopes. Here's a hint for house organ editors and advertising men.



NEWSIES KEEP THEIR MONEY STRAIGHT . . . when they collect with envelopes. Milkmen, laundries and neighborhood stores need these envelopes, too.

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TAKE A TIP FROM THE NEWSPAPER MAN and file your negatives in indexed, labeled envelopes. Your printer will suggest the right U. S. E.



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The world's largest manufacturer of envelopes
With thirteen manufacturing divisions covering the country

A Strand of Yellow

Aerial Wire Rope Tramways of Broderick & Bascom design are saving time and money for mines and industrial plants all over this country, in Mexico and Alaska. Investigate.

In the vast industry of building, where prodigious loads are handled with surprising ease and safety, wire ropes having one strand painted yellow are seen with conspicuous frequency.

This is Yellow Strand, a super wire rope developed and made by the Broderick & Bascom Rope Co., pioneers in the wire rope industry of this country.

Like many other great Americans, it is of foreign extraction. Its steel is largely of Swedish origin and is drawn into wire according to our own exacting specifications. Much of the machinery for its manufacture was designed by us and built in our own machine shop.

Contractors and others requiring heavy-duty wire rope know they make no mistake in specifying Yellow Strand. It has proved its stamina during many years.

This company also makes wire rope in all the standard grades.

Broderick & Bascom Rope Company St. Louis, Mo.

Eastern Office and Warehouse: 68 Washington Street, New York, N. Y.

Southern Warehouse: Houston, Texas

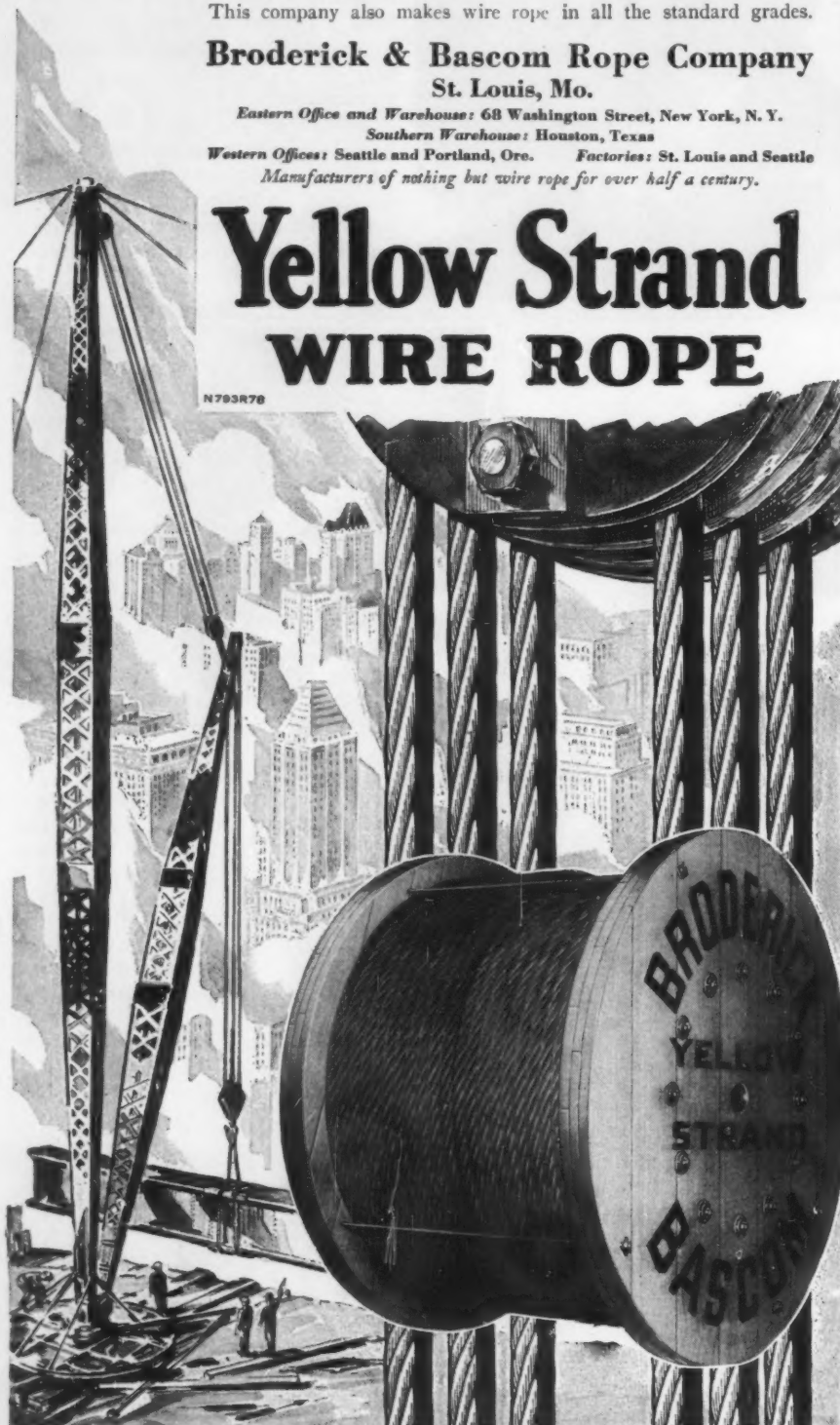
Western Offices: Seattle and Portland, Ore.

Factories: St. Louis and Seattle

Manufacturers of nothing but wire rope for over half a century.

Yellow Strand WIRE ROPE

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Planning Ahead for Unemployment

CONVINCED that any progress toward solution of the unemployment problem will benefit them, their employees and society in general, 14 companies with headquarters in Rochester, N. Y., have adopted "The Rochester Unemployment Benefit Plan."

The companies vary greatly in size, the smaller having approximately 45 employees and the largest some 13,000. Their products range from photographic goods, through radios, thermometers, check protectors, filing systems, and locks to industrial machinery. All agree, however, that unemployment protection should be voluntarily and independently set up by private rather than government action. They agree also that the most sensible and practical method of minimizing the effects of unemployment is to create substantial reserves to be the basis of unemployment benefits.

Companies build up funds

TO THIS END, each company has agreed to set aside each year a sum up to two per cent of its pay roll and to continue to do so until an adequate reserve is built up. Interest from this fund will be added to the principal. In time of emergency, laid-off employees will receive from this fund weekly payments at the rate of 60 per cent of their usual earnings exclusive of overtime.

Although employees will not ordinarily contribute to the fund, the companies reserve the right, in long periods of unemployment to assess those still holding full-time jobs one per cent of their earnings. The company will also appropriate an equal amount.

Employees with a year of service and whose pay is less than \$50 a week are eligible for benefits after two weeks of idleness. Payments will continue for periods ranging from six weeks for workers employed a year to 13 weeks for those employed five years or more.

The employee, however, must make a reasonable effort to find other work. If he succeeds, his benefit payments will be the difference between the salary earned at his temporary employment and what he would have earned with the company.

After careful estimates of possible liabilities under the Plan, the companies feel that unemployment benefits can be paid after January 1, 1933. None will be paid before that time.

Under the Plan, unemployment protection is extended to 26,000 workers.



ALMOST ANY OF THESE SUBURBAN ESTATES OFFERS MORE THAN ADEQUATE LANDING SPACE FOR AN AUTOGIRO

What is the need for the ~~AUTOGIRO~~ ?



Characteristics

The Autogiro differs basically from all other heavier-than-air craft in the source of its lifting capacity. This lift is given primarily by four rotating blades which take the place of the familiar wings of an airplane. There is no time when this supporting rotation of the blades can be stopped while the machine is in the air, as their motion is produced solely by wind pressure caused by the movement of the Autogiro in any direction, climbing, level flight, gliding or descending vertically. The supporting rotation of the blades is entirely independent of the engine, whose sole function is to propel the Autogiro.

The Autogiro presents flying characteristics hitherto impossible. It can take off at low speed after a very short run, and immediately assume a steep-climbing angle. It can fly well over 100 miles per hour or as slowly as 25 miles per hour. It can be brought momentarily to a standstill and hover. It can bank and turn slowly without fear of loss of forward speed. It can glide or descend vertically at a speed less than that of a man descending in a parachute, and with virtually no forward speed even with a dead engine. Above all, it cannot fall off into a spin from a stall. As a result, little operating skill is required.

THE progress of aviation and the development genius it exemplifies have been a modern miracle.

Yet the early predictions that flying would soon become general and commonplace have not been realized. As the airplane becomes faster and faster with increased dependence upon high speed for take-off, landing and even control in the air, the obstacles to anything approaching universal use become greater and greater.

Most of us are still spectators, over-awed by the long training, special aptitude and high degree of operating skill required.

This necessity for extreme operating skill is the greatest barrier to widespread private ownership of airplanes. The great need is for an aircraft with such inherent stability that its secure operation is within the capacity of the average person who can operate an automobile.

We believe the Autogiro is such an aircraft.

Speed is one of the intrinsic advantages of air travel, and the Autogiro can fly well over 100 miles per hour, but contrary to all other heavier-than-air craft, speed is not essential to it.

All the necessary maneuvers of flying, heretofore hazardous for the novice, can

be executed in the Autogiro with slow deliberation. Take-offs, turns, landings and other maneuvers in the air, are accomplished at low speed with ample time for deliberate consideration. In addition, where indecision creates an emergency, the novice can make a slow, deliberate descent in the Autogiro.

Even the expert pilot appreciates the elimination of necessity for lightning-like decisions compelled by the high speeds essential to normal airplane operation.

The need for the Autogiro is the need for an aircraft that can ascend and descend and sustain itself in flight *without* speed and yet capable of speed when desired.

We are confident that the Autogiro points toward the possibility that the average person can consider the operation of an aircraft with assurance comparable to that experienced with an automobile.

The Autogiro Company of America is not a manufacturing or selling company. It is solely an engineering and licensing organization. It owns and controls, exclusively, all Autogiro patent rights in the United States. Manufacturing companies of high standing will be licensed to build Autogiros with the full cooperation of our engineering staff.

AUTOGIRO COMPANY OF AMERICA \ \ \ LAND TITLE BUILDING \ \ \ PHILADELPHIA

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As horses are to locomotives...

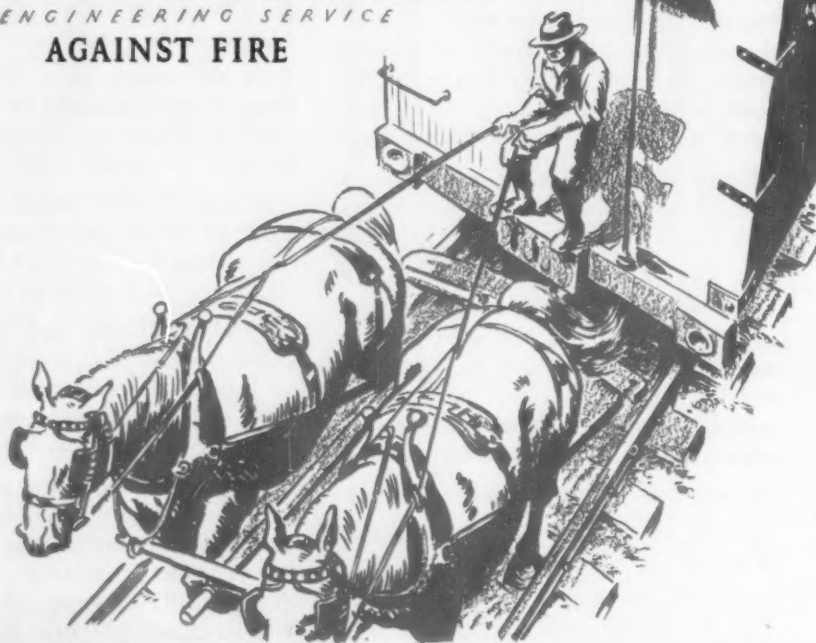
THE TOOLS for any job must measure up to the job. Even a team of Percherons can't pull a mile-long freight train.

So with your local fire department. How can you expect your town's fire-fighting budget to drop—how can you expect a lower fire loss—how can you hope for lessened drain on your own pocket-book, unless you give your Chief modern apparatus that *lets* him make good?

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Another Small Grocer Survives!

By WILLIAM BOYD CRAIG

Of the staff of NATION'S BUSINESS

NO FIGURE in business has received more pity from politicians than the small independent retail grocer. A tear is shed for this poor fellow because he struggles along for a pittance while contributing a necessary service to the community. Stern economists are sorry for him, too, but they largely predict his speedy extinction.

With imposing statistics, economists and professors prove that the "inefficient" grocer who does a business of \$25,000 a year or less is in danger of passing out of the picture. Not only that, but they advise wholesalers to stay away from such merchants, because their accounts are a source of loss. Rather generally it is assumed that the chain stores, with their

THIS Baltimore grocer has never sold more than \$20,000 worth of goods in a year, but every year he has made a tidy net profit. Some experts hold that his type is doomed by the chains. His story tends to refute any rash predictions, and there are thousands like this independent retail grocer

for action, and the independents, with voluntary chain and trade association support, are going to prove more and more that they are worthy foes.

Some will hold that this story of a small independent grocer is unusual, that he is merely an exceptional merchant. Others will claim his case as typical, admitting that he is good, but by no means a rare example of



In this front-parlor grocery store, Fred Gauer is proving that the small retailer can be a profitable customer for wholesalers



Only a display window sets the Gauer store apart from its surrounding homes

size and power and efficiency, will crowd out all but the larger, more imposingly successful.

At least some observers agree that this is so. In the dissenting minority are the independent grocers themselves. Their case is a good one, deserving more consideration than it is getting. At least, the decks are cleared

the modern merchant, model of 1931.

Fred Gauer runs a grocery store in the front parlor of his home on North Hare Street in Baltimore. He sells between \$17,000 and \$20,000 worth of groceries, green goods and meats every year. He is just the sort that by all the canons of modern economics ought to be slated for oblivion. A chain store could put him out of business, almost anyone



We're not afraid of DYEING

'WAY DOWN EAST there's a dye works where the life of an electric hoist has always been short and colorful. So colorful, in fact, that in no time at all hoist after hoist turned blue in the gills and *died*. Then one of our hoist engineers heard about it and went "Sherlock-Holmes-ing" around. It seemed strange. The hoists were used for toting tanks of chemicals hither and yon—light work. Our man sniffed suspiciously. Chemicals! Aha! And, sure enough, that was the trouble: chemical fumes eating away the winding of the motor, causing hidden shorts. So we proceeded to wind a fume-proof motor in a way we have; installed it in a hoist built the way we thought a dye-works hoist should be built, and shipped it on. Result: no more tie-ups, a happy dye manufacturer, and an order for more of the same.

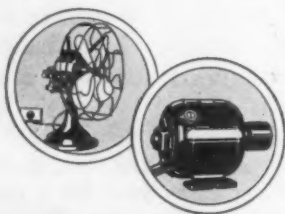
If you have a problem in electrical-motored machinery, come to Robbins & Myers. We offer you the facilities of a completely modern plant and the experience of 33 years' precision manufacture in designing, building and applying electric motors, generators, fans and electrical appliances.

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1878



1931

FANS, MOTORS, HAND AND ELECTRIC HOISTS AND CRANES

would say, after seeing his location and setup.

But he makes money. For the past decade and more he has taken from his store more than \$3,000 a year. Instead of hunting for a job with a chain store, he hunts for more bargains in which to invest his savings. He would not be rated as a wealthy man by any normal standards, but he has a tidy, snug little backlog set aside against a rainy day. He has weathered several storms already, and is ready for more. In his 15 years of retailing he has seen good times and bad, and has held a remarkably steady course. His records might make a technical expert smile. His methods are simple. All they have to commend them is that they succeed.

What of the man himself? Personally, he is a quiet, smiling citizen who knows retailing, knows his people, and has found out how to save money. He looks happy. His movements are alert, but not bustling. His gaze is steady and kind. Very evidently he likes his store, his customers and his station in life. He is contented, but not too much so. The records of the past ten years disprove that. Each year his efficiency has increased. He has discovered that effort pays dividends, and he has no thought of letting down. About 40 years old, his habits are regular and his zest for life unimpaired. His modesty makes his success the more appealing.

Profits through management

FOR managing his shop, he pays himself a salary. His income tax returns show that he made a net about equal to his wages. He achieves this profit, not through high prices, but through fine management.

His costs are low. He owns his own building. His inventory is balanced, carefully selected, and remarkably even. It seldom goes above a thousand dollars at any time. Since 1920 it has been gradually reduced. During the war, his inventory and net were both slightly larger, due to careful buying in those troubled days. His wife is his able assistant. At times outside help is employed, but this is seldom necessary.

If his costs of doing business are low, so are his prices from wholesalers. In Baltimore, an independent can buy in case lots or less on practically even terms with the chains. Half a dozen voluntary chains with large memberships make this possible.

Buying on equal terms with the chains, Mr. Gauer succeeds in beating them at selling. His prices are right in line with chain prices. His merchandise

YOUR Business

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TWO companies merged. Replaced two old accounting machines with one Dalton. They say "We figure it earns \$1220 a year . . . besides paying for itself annually."

A manufacturer in Syracuse, N. Y. had a stock control problem. Today . . . a special Dalton tells when re-ordering of any item is necessary. Does it automatically. Prevents over or under-stock. Saves time. Saves money. Saves labor.

An adding . . . subtracting . . . multiplying . . . dividing . . . two-column . . . statement machine. Six machines in one! With seventy-one keys less than an ordinary adding machine. No wonder the Dalton saves money. The Dalton operator can attain greater accuracy and speed than any other. World's records prove it . . . Dalton holds them all.



A shoe manufacturer tested every type of adding . . . calculating . . . bookkeeping machine on the market. Chose 3 Daltons. And they replaced 7 other machines. Figure the saving for yourself.

Dalton has gained its leadership not simply by its outstanding mechanical principles. Rather . . . by the application of these principles. By saving money. Cutting corners. Doing two days' work in one.

It is the product of an organization that knows where to look for these savings. That ferrets them out. An organization that can make money for itself only by saving it for you.

Read the list of Dalton-speeded operations on opposite page. Then indicate on the coupon below, the department or problem in which you are most interested. It will bring you practical money-saving suggestions, prepared by experts who know your business. Free. And they commit you to no obligation.

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Even a --- Refrigerator



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Type 12
Internal



Type 11
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Terminals
U. S. Patents
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THE "Magic" of Electrical Refrigeration caught the public's attention instantly. Thousands and thousands of these marvelous machines are now serving the American home owner most faithfully.

Intelligent manufacturers have kept their customers satisfied by careful production methods and many makes have shown unusual service records. The fact that the leading companies in this field are using Shakeproof Lock Washers is evidence that they are anxious to provide the best performance possible.

Improve the performance of your product with Shakeproof Lock Washers and you, too, will soon realize how they reduce service costs and boost sales. Make a test in your own plant—free samples will be sent on request—write for a supply today!

SHAKEPROOF Lock Washer Company

(Division of Illinois Tool Works)
2537 North Keeler Avenue
Chicago, Illinois



"It's the Twisted Teeth that Lock"

When writing please mention Nation's Business

is almost entirely made up of nationally advertised brands. His store itself is neat and clean. In spite of the lack of space within, there is order and arrangement. Meats, green goods, breakfast goods—these and other departments are clearly evident, even in this tiny shop.

Mr. Gauer was formerly a wood turner. At his trade he rose steadily until his wages reached \$22 a week. Out of this he saved enough to get a small stock of ice cream and confectionery, and to open a small shop. The ice cream parlor just barely got along. A member of his family suggested that he take on a few lines of breakfast items and canned goods. So, by natural evolution, he found that he was conducting more of a grocery store than a confectionery. He closed out the latter in 1916.

Today he conducts a family store, but it is not just one of those shops from whose shelves the housewife picks the family food. The cash drawer is not used as the family bank. The books and records of the business are not complex, but they are faithfully kept.

About 40 families of the neighborhood buy most of their food from him. These he regards as his steady customers. Some have been dealing with him all the time he has been in business. Two-thirds of the buying for the neighboring families is done by small children. This means that the merchant must be something of a father, much of a diplomat, and must lean over backward to be fair. Children make mistakes which try the patience of the most saintly men, but a merchant can only smile and straighten out the difficulty.

Doesn't fear chains

BEING put out of business by chain store competition is not one of his worries. In fact, he said that he would rather have a chain as a competitor than his nearest rival.

Delivery and credit are two more arrows in his quiver. It has been said that a grocer buys with his head but gives credit with his heart. Mr. Gauer's credit policy is liberal, but safe. He is his own credit bureau. He knows his customers, and knows their cousins and uncles and aunts. If a new baby is born to the daughter of a neighbor, he is really interested. In other words, his customers are his neighbors. He is more than a supporter for his community. Every year at Christmas he gives his best customers a worth-while remembrance. The presentation is a community event.

His books show about \$500 owed to him. He will get all of it, he says. For 15 years he has been serving his people,

and he naturally finds it hard to say "No" to Mrs. Mary if Mr. John is out of work. His own business is in such good order that he can discount all bills, and pay cash. His electric refrigerator is paid for. Why not pass on to his customers a little extra credit when they need it so badly? His books show him to be a good judge of character. His credit losses, over a long period, are a fraction of a per cent.

His complete store, including the land, building, stock, and fixtures could be replaced for \$3,000. That entire amount he turns six times a year or oftener. His stock he manages to turn over 20 times a year.

Can anyone name a chain organization offhand that can show more operation efficiency? Or one that pays better returns on the investment?

Good customer for wholesalers

HE believes wholeheartedly in group action. The first salesman to call on him was Harry Walker, now secretary of the Independent Retail Grocers of Baltimore, Inc. Mr. Walker proved to be more than just an order taker. He nursed this grocer through his early stages of development, advising rather than selling. For 15 years Mr. Gauer was a good customer for a wholesaler, as Mr. Walker will testify. Anyone who doubts that a small grocer can be a good customer for a wholesaler may obtain further information from Mr. Walker himself.

Mr. Walker was partly responsible for making this grocer a good association man. When voluntary chains began making things easier for Baltimore merchants, this grocer was ready to take full advantage. Now he is a member of Mr. Walker's organization also, which is a fighting unit designed to do for independents those things they cannot do for themselves.

Mr. Gauer has only a small store. It does not do a large business. What is done, however, is done at a profit. It is run with a minimum of effort, and a maximum of efficiency. Mrs. Gauer just returned from a three months' visit to Germany, of which she is a native. Now she says her husband must take a vacation soon. He is not sure about it, but thinks he may go to a convention or two. After years of effort, while they are still young, things are looking easier for this couple. A lot easier.

In the room over the shop they sleep soundly. No clinking chains disturb their sleep. They work intelligently, and do not worry about staying in business. They leave that to the economists.



Largest Tramway Car Shops in South America

...recently completed at Rio de Janeiro

THESE great shops for the Rio de Janeiro Tramway, Light & Power Company, Limited, with their 24 buildings and 430,000 square feet of space are unique in their completeness.

Because they are equipped to handle so many manufacturing and repair operations, they place this large utility system in an unusually independent position.

The shops are designed for the following work:

- Maintenance of 1000 tramway cars and buses;
- Construction of new steel cars and buses;
- Repair of heavy machinery, motors and generating equipment;
- Manufacture of power line equipment, many car and bus parts, castings, brake shoes, etc.;
- Manufacture of all bare and weatherproof copper wire required for the system, 850 tons annually;
- Fabrication of substation structures;
- Construction of metal and wood furniture for cars, buses and offices;
- General stores for shops and entire system.

We designed and built the shops in cooperation with our client's organization.

We are prepared to handle construction undertakings anywhere in the world.

UNITED ENGINEERS & CONSTRUCTORS INC.

combining

Day & Zimmermann
Engineering & Construction Co.
Dwight P. Robinson & Co., Inc.
The U. G. I. Contracting Co.
Public Service Production Co.
United Engineers & Constructors
(Canada) Ltd.
Dwight P. Robinson & Company
of Brazil, Inc.
Dwight P. Robinson & Company
of Argentina, Inc.



Design and Construct

INDUSTRIAL PLANTS
STEAM POWER STATIONS
HYDRO-ELECTRIC
DEVELOPMENTS
RAILROAD WORK
GAS PLANTS
PIPE LINES

Build

APARTMENTS
HOTELS
OFFICE & MONUMENTAL
BUILDINGS

UNITED ENGINEERS & CONSTRUCTORS

INCORPORATED

DWIGHT P. ROBINSON, PRESIDENT

PHILADELPHIA
LOS ANGELES

NEW YORK
MONTREAL

NEWARK
TORONTO

BOSTON
BUENOS AIRES

CHICAGO
RIO DE JANEIRO

MAXIMUM RETURN TO CLIENTS PER DOLLAR INVESTED

When writing to UNITED ENGINEERS & CONSTRUCTORS, INCORPORATED please mention Nation's Business



From this dock, which has room for 70 vehicles, trucks speed merchandise to more than 900 towns

KALEC, INC., DETROIT

The Truck Shows What It Can Do

By WILLIAM A. McGARRY

WHEN SPRING—or the promise of it—came rather suddenly last year to Flint, Pontiac, Ann Arbor, Lansing and other cities of Michigan, an unexpected rush of buying started that left many merchants with depleted stocks. But there was no old-time scramble for telegraph blanks, no flood of last minute express orders, no excitement.

Instead, the merchants almost without exception merely revised their routine advertising copy for the next day's newspapers, to announce special sales of spring apparel and other seasonal lines. That done, they telephoned to jobbers, wholesalers and manufacturers in Detroit for the merchandise they were announcing in the advertisements.

Some of the towns where this happened are 100 miles from the Michigan metropolis, but the goods were going over the receiving platforms of the stores the next morning. When the doors opened for the special sales, the merchandise was on the counters!

Back of that and scores of similar instances that might be cited, is the story of a new step in distribution through coordinated use of motor trucks. More than 900 cities and towns of Michigan, Ohio and Indiana for which Detroit is the trading center are now utilizing it to some extent. At its best it gives the business men of those cities an

THERE has been considerable argument about just where the motor truck fitted into the transportation system and just what job it could do best. Now some Detroit men apparently have found the answer to both these questions

overnight pick-up and store-door delivery service at rates approximating those of the railways.

The developmental work on which this achievement is based has been going on for many years. It was stimulated in 1923 when the state legislature gave the Michigan Public Utilities Commission power to regulate common carrier freight lines. A number of common carrier motor truck lines were operating out of Detroit at that time and ten of them took advantage of the state regulations, which required them to maintain published tariff rates, schedules and cargo insurance to protect the shipper.

Truck lines have grown rapidly

SINCE then this form of transportation has grown rapidly in the Detroit trading area. At the beginning of last year 74 common carrier motor-truck lines were operating, maintaining daily schedules. Some lines were operating to points as far away as Buffalo, Pittsburgh, and Chicago, but most of the business was in overnight hauls.

Operators in this territory are doing

a considerable tonnage in automotive parts which formerly moved between the manufacturing plants in Detroit and the outlying assembly plants in carload lots.

In some instances as much as three days are saved in these operations. This has made possible tremendous savings in inventories and improved synchronization in motor car manufacture, since the motor trucks may be operated on elastic time schedules to deliver equipment just when it is needed.

For a long time transportation experts, including Elisha Lee of the Pennsylvania Railroad and the late Walter C. White, have seen the need for just what is being done at Detroit, but because the growth at Detroit was in expanding small units rather than by organizing large ones, this new step in distribution went almost unnoticed.

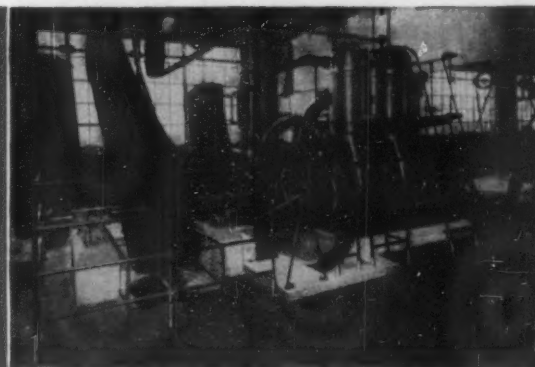
It was P. B. Genger, president of the Inter-City Trucking Service, Inc., who made the Detroit development nationally visible. Early last year he announced through E. E. Prine, secretary of the Wholesale Merchants Bureau of the Detroit Board of Commerce, that his cor-

No "City Limits" for Diesel Economy

YOU have heard that the Diesel engine is used extensively to develop dependable, low cost power for far-flung municipal and industrial projects. But do you know that the Diesel is cutting power costs right in the heart of metropolitan centers? Do you know that, in towns and cities where rates are considered most favorable, the Diesel is showing savings that are actually sufficient to pay for the engines in a short time? **Q** These statements should be—and will be—challenged by executives who are willing to be shown that their power costs need not be regarded as fixed at present levels simply because their plants are located within the limits of towns or cities where electrical rates are low. Surely the savings-profits of Diesel power would be welcome in any plant—especially at this time when profit increase depends so largely upon lowered production costs. **Q** It will cost you nothing to learn—in dollars and cents—just how much you can save by using Diesel power. Fairbanks-Morse engineers, competent representatives of America's largest manufacturer of Diesel engines, will give you this information after they have made a power survey of your plant. Diesel savings can be determined so definitely that Fairbanks-Morse offers a payment plan whereby the savings become the payments on the engine. Will you let us present facts that may uncover a new source of profit in your plant? Fairbanks, Morse & Company, 900 South Wabash Avenue, Chicago, Ill.

These books tell of a new source of profit!

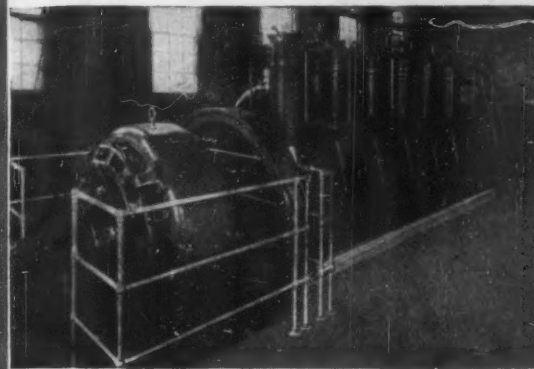
Bulletin No. 3010 discusses the economies of Diesel power. Bulletin No. 3011, "The Savings Payment Plan," explains a purchase plan whereby the engines actually pay for themselves from the savings made. These books will be sent to executives on request.



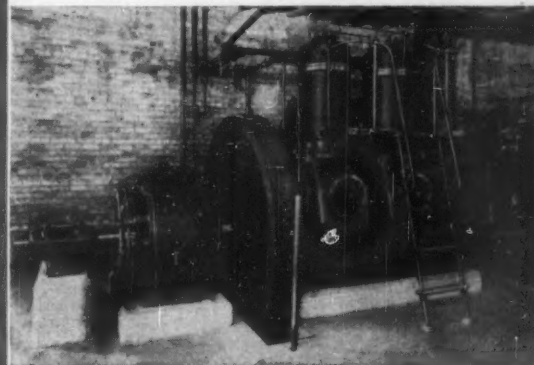
The Foote Gear Works of Chicago effected marked savings in power cost by the installation of a 120 hp. Fairbanks-Morse Diesel to operate their factory.



These three 360 hp. F-M Diesel electric generating units supply low cost power for the Gates Lumber Co. plant in the very heart of metropolitan New York.



Materially reduced operating costs were effected with the installation of this 360 hp. F-M Diesel generating unit in the plant of Chappel Bros. at Rockford, Illinois.



\$4,000 a year was saved by installing this 120 hp. F-M Diesel in the plant of the Mitchell Battery Co. at St. Paul, Minnesota.

FAIRBANKS-MORSE

diesel engines



MOTORS
SCALES
PUMPS

OA40.53

When writing to FAIRBANKS, MORSE & COMPANY please mention Nation's Business

In The Great Freight Yards of America



You Will Find Hackney Steel Containers Lowering Shipping Costs

Passing in a steady stream through the freight yards of America, you will find Hackney permanent steel containers carrying all kinds of liquid and dry bulk materials for such captains of industry as—Swift & Co., Buick Motor, Sherwin-Williams, A. T. & S. F. R. R., Vacuum Oil, Armour & Co., C. M. St. P. & P. R. R., Southern Cotton Oil, Kalbfleisch Corp., Pratt & Lambert. These companies have

found in Hackney's rugged, leak-proof construction a new way to lower their shipping costs—greater safety for their products enroute—easier handling, emptying and cleaning—neater looking packages—and greater customer satisfaction.

Let us explain the advantages of shipping in Hackney permanent

steel containers vs. light weight shippers, made of wood, steel or glass. Write for the catalog and complete details.

The Hackney Line

Hackney builds a complete line of—Seamless steel barrels with full removable heads or patented raised openings—Steel drums with full removable heads or patented raised openings—Two-piece barrels and drums—"Light Shippers"—Seamless steel cylinders—Special shapes.

PRESSED STEEL TANK COMPANY

1179 Continental Bank Bldg., Chicago
5777 Greenfield Avenue, Milwaukee, Wis.

1355 Vanderbilt Concourse Bldg., N. Y. City
487 Roosevelt Bldg., Los Angeles, Calif.

Hackney

MILWAUKEE

When writing to PRESSED STEEL TANK COMPANY please mention Nation's Business

poration was about to open the first complete union truck terminal with facilities to accommodate noncompeting lines reaching all the towns in the Detroit trading area. Ground for this was broken in October, 1929, and it was put into service in March, 1930.

"Nearly all of the 74 common-carrier motor-truck lines had made some attempt to pool their terminal equipment in Detroit," says Mr. Prine, "but heretofore there had been no terminal service coordinated for the entire trading area of the city. Although in some instances three or four companies were operating from one terminal, we had more than 20 terminals scattered throughout the city. This, of course, meant a duplicated service, as it was not unusual for 15 different long-distance lines to pick up goods from one wholesale house each day.

"Merchants recognized that this duplication, plus the resulting congestion at their loading platforms, limited the growth of this form of distribution. This brought a demand for a union terminal to which shippers with equipment could make a single delivery, and which would provide a pick-up service for those not having equipment of their own, sending one truck to the shipper instead of 15.

Experience held important

"INDIVIDUALLY and collectively through the Board of Commerce, however, the majority of these shippers took the stand that construction and operation of such a terminal and service should be wholly in the hands of an experienced transportation company. The Wholesale Merchants Bureau of the Board has been cooperating for three years in the effort to bring about such a development. Once each month, the Bureau issues a list of the long-distance motor truck operators, routes covered, number of permits and expiring date."

The Inter-City Trucking Service was established in 1918, one of the pioneers in motor-truck transportation. The Company now operates three overnight divisions from Detroit to Lansing, Flint, and Jackson—with its own equipment. It will not attempt to operate except over hard roads.

"There have been two general causes for the failure of motor-truck transportation," says Mr. Genger. "One is the attempt to compete with the railroads over long hauls, and the other is the refusal to recognize physical limitations. Our business has been built up by a policy of undertaking only such service as we can guarantee to deliver over a



When you hear sound by RCA Photophone in your favorite theatre

... you have witnessed the highest development of sound pictures and the solution of another distribution problem by Bush Terminal

THE problem: RCA Photophone Sound Reproducing Equipment had to be shipped to twenty sales offices covering the entire country as required, without delay, without wasteful handling, without excessive re-shipping costs and without too many re-shipping operations. The delicate mechanism and large bulk of the units made it imperative for RCA Photophone to keep re-shipping operations in the hands of their own technically trained men. How then could re-shipments be made conveniently? How could a large stock of units be held in readiness near transportation terminals?

The answer: Bush Terminal, ideally located for convenient, quick and inexpensive handling of incoming and outgoing shipments to and from *everywhere*, has the facilities for receiving, holding and shipping. RCA Photophone provides the technical man-power.

The result: Speedy shipments, quickly consummated sales, no costly delays, the minimum of handling, the maximum of safety, and the lowest possible distribution cost. A large stock of units at the very doorstep of the New York market—the largest single sales area in the country.

Similar Bush Service is used by: United Cigar Stores, A. & P. Stores, W.T. Grant Stores and Del Monte Coffee

Many manufacturers have their plants at Bush Terminal. Bush Terminal provides "Industrial apartment houses" for manufacturers. Here are almost limitless facilities which can be used when, if, and as they are needed. Eight enormous ocean steamship piers, miles of railway sidings, by, through or under massive warehouses and manufacturing units, 10,000,000 square feet of floor space, cold storage, power, steam and heat in any quantity. Bush Terminal offers amazing economies in distribution and manufacturing.

Bush Industrial survey is without cost. Let us send our industrial engineers to survey your operations. They may find a handicap in plant location, high insurance, excessive receiving and delivery costs, unnecessary maintenance expense, high cost of power, non-productive space in plant layout, high rent or other vital factors. This survey entails neither cost nor obligation.

BUSH TERMINAL COMPANY

Metropolitan facilities for DISTRIBUTION, WAREHOUSING AND MANUFACTURING

Executive Offices: 100 Broad Street, Dept. N, New York

Piers, Sidings, Warehouses, Truck Depot and Manufacturing Lofts on New York Bay

FOREIGN DISTRIBUTION—BUSH SERVICE CORPORATION




THE WATCHMAN WHO NEVER SLEEPS



A Pittsburgh Chain-Link Fence around your plant is constantly "on the job"—never asleep—always on the alert to balk and turn back the mischief-making intruder. It never "lays off" and it draws no salary. Once erected it is there to stay. Its strong framework and resilient fabric assure its sturdy resistance to damage from the accidents of everyday usage. "Pittsburgh" Chain-Link Fence is doubly protected against rust—made of rust-resisting *copper-bearing* steel, heavily zinc-coated *after* weaving. The framework also is made of copper-bearing steel and heavily zinc-coated. In every detail of design as well as quality of materials, Pittsburgh Chain-Link Fabric, posts and fittings possess the most advanced features. A "Pittsburgh" representative will be glad to explain these to you. An estimate of cost of fencing your property will gladly be furnished.

Pittsburgh Steel Co.

732 Union Trust Bldg.  Pittsburgh, Pa.

Pittsburgh Fence

CHAIN-LINK TYPE

New York
Chicago
San Francisco



Memphis
Dallas
Syracuse
Detroit

HEAVILY ZINC COATED COPPER-BEARING STEEL

When writing to PITTSBURGH STEEL CO. please mention Nation's Business

12-month period. That cannot be done over dirt roads.

"It has always been our opinion that we are not competing with the railways—that the routes up to a hundred miles radiating out of a city such as Detroit constitute the natural territory of the motor truck. Most steam-railway men agree that this will be the ultimate solution of the distribution problem in the United States. But we early recognized that a motor transportation company should offer the same protection to the shipper as the railway offers.

"We have been giving that protection. We assume full responsibility for all shipments entrusted to us and guarantee this responsibility with adequate insurance. With the opening of the Union Terminal this protection has been extended to other lines financed and equipped to meet our standards. The new terminal is the largest of its kind in the country, with a receiving platform under cover 260 feet long, equipped with two five-ton power hoists.

Sheltered loading dock

"SEVENTY vehicles can unload and load at one time along the modern dual-sided dock. The shipper has to make but one delivery and one billing for all motor-truck freight shipments. All loading and unloading operations are protected from the weather. Shipments held for future delivery are placed in a fire-proof storage space. The dock, except when open to receive freight, is kept locked. We operate 24 hours a day. A constantly increasing percentage of the business is in full loads, so that no re-handling is necessary.

"Michigan law requires motor trucks running as common carriers to operate on rates which are substantially the same as the freight classification. Since the truck also supplies pick-up and delivery service, the rates are really lower.

"The expansion of motor-truck transportation in the Detroit area, however, is more a matter of time saving than of rates. Between Flint and Detroit, for example, the best steam-railway freight delivery will run from two to two and a half days. Our running time is five hours and we give overnight delivery to the store door.

"Salesmen throughout the Detroit trading area take orders regularly for delivery in 24 to 48 hours. As a result merchants may carry a wider variety of merchandise with reduced stocks in each line. Orders in many instances actually are based on day-to-day weather reports. A merchant, learning from the forecast that it will rain tomorrow, can

Here's what Ditto does

Ditto makes copies direct from your pencil, pen-and-ink, type-writer or printed original—no stencil, type, or carbon.

It copies one or all of seven colors in one operation.

It copies on thinnest paper or heavy card stock.

It copies all or any desired section of the information.

It copies any size sheet up to 22 x 34 inches.

Originals may be re-used several times.

Original data may be copied immediately or a year later.

Several originals may be made at one writing and used separately—any time, any place.

Information may be written as accumulated and copied when completed.



—and here's how you can apply it

Right now when lower overhead is paramount, you can apply these basic functions of Ditto to your own office procedure and *save money*.

You have innumerable routine tasks that are typical "Ditto jobs"—from straight-run copying of notices, reports, lists, to complex systems of forms reduced to single writings.

For example, here is a leading radio manufacturer's enthusiastic endorsement: "An increase of 800% in our volume of orders during recent years has been easily handled by our Ditto billing system. Two typists write orders. Ditto makes 10 to 12 copies of each, including production orders—all invoices, shipping forms, record copies, and so on. *Nothing* is re-written.

"When we changed our system we investigated many methods; and chose Ditto. Without Ditto we would need three order writers—a clear saving of \$3000 a year in payroll. Orders go into production faster, and errors are eliminated."

This is just one of hundreds of letters from important concerns in every kind of business.

Many problems, seemingly impossible to solve or simplify, become ordinary routine operations with Ditto; and speed, accuracy, ease, and worthwhile savings result inevitably.

Our booklet "Cutting Costs with Copies" tells how you can use Ditto's wide adaptability. Glad to mail you a copy.

DITTO INCORPORATED

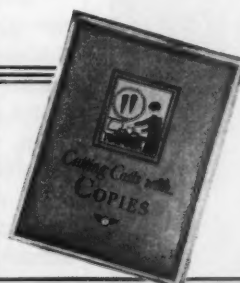
Duplicating and Billing Equipment

2263 W. Harrison Street

Chicago, Illinois

The Ditto Man

is a practical, experienced adviser on up-to-date office procedure. He can suggest helpful improvements and show how Ditto will aid in effecting them. That's his job.



DITTO INCORPORATED, 2263 West Harrison St., Chicago, Illinois
You may send your booklet, "Cutting Costs with Copies."

Name _____

Address _____

City _____ State _____



"GO... EMPRESS" to the ORIENT Save 2 Days!

● Pressed for time on your Orient trip? Canadian Pacific's giantess white Empresses offer you two time-saving routes! Empress of Asia and Empress of Russia, famous "commuter" liners, go via the *Speedway* route...direct express...saving 2 days to Yokohama.

Little less hurry and more sunshine? Take the *Honolulu* route aboard huge Empress of Canada or new 23-knot Empress of Japan, the "last-word" liners of the Pacific. Both routes from Vancouver (where trains go direct to ship's side) and Victoria. If you sail from San Francisco or Los Angeles, connect at Honolulu.

● The Empress fleet comprises the largest, fastest liners to the Orient. There is the atmosphere of cosmopolitan cities. A radio daily paper keeps you in touch with the world... swimming pools, gyms and sports decks help you keep fit... finely appointed staterooms create your residence-at-sea. The cuisine is expertly chef'd... the service is that of the homes of "taipans" and executives in the Orient.

Cabin Class? In the new "Empress" Cabin... spaciousness, comfort and service at surprisingly low rates.

Canadian Pacific's offices throughout the Orient can be of service to you in arranging travel and baggage details.

Low-cost Summer Fares! First Class, Cabin Class! Round trip...from \$450

Information, booklets with itineraries and rates, also reservations from your own agent or Canadian Pacific: New York, Chicago, Montreal and 32 other cities in United States and Canada.

TO THE ORIENT Canadian Pacific

WORLD'S GREATEST TRAVEL SYSTEM

HONOLULU
YOKOHAMA
KOBE
NAGASAKI
SHANGHAI
HONG KONG
MANILA



be prepared with a stock of overshoes and umbrellas."

One of the problems of all the motor freight lines in the past which the Union Terminal has solved is that of finding competent employees, familiar with railway rate classifications. Lines that did not have enough tonnage to justify the employment of such experts are now able to offer this service cooperatively. All of the cooperating lines have found, too, that operation from a union terminal has increased their tonnage through the working out of transfer rates to other cooperating lines.

Labor costs are cut

SHIPPERS have profited likewise through a direct labor saving. Many of the larger Detroit wholesale houses had been compelled to employ several clerks to keep track of shipments over 15 or 20 lines, each with a separate tariff. More men also were required on the loading platforms. Many of the older local depots were unable to get fire insurance on their buildings, except at prohibitive rates, and it was necessary for clerks to keep track of a variety of conditions among the different truck operators.

The Union Terminal started business with a modern cost accounting system. The Inter-City Company installed this several years ago. It knows exactly what it costs to haul every variety of merchandise.

According to Mr. Prine, the overnight delivery service has helped many Detroit manufacturers, wholesalers and jobbers to reclaim business lost to competitive markets.

In many cases, he says, carriers bring orders from retail merchants in the outlying cities. Most of the shippers using the service have also reduced packing and crating costs.

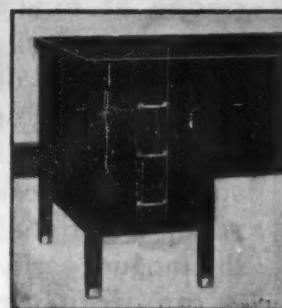
With the cooperation of shippers and motor-truck lines operating under state permits, the Wholesale Merchants Bureau has started a campaign to drive out "wildcat" operators. It has also asked that contract carriers—not now subject to the regulations of the Public Utilities Commission—be required to file copies of their contracts and rates.

"The 'wildcatter' and the contract carrier constitute the only remaining obstacles to still more far-reaching and intensive development of coordinated motor-truck transportation," says Mr. Prine. They may appear to be the only sufferers when they get into trouble because of rates that are too low, or inadequate equipment and protection. But actually the users of the service are also damaged when it breaks down."

Private Office desks at General Office Prices



HERE'S THE MOUNT VERNON. Its finish—even to the Artolin top—reproduces the grain-
ing of fine walnut. It's available in
mahogany, too, if you prefer.



FOR YEARS this Art Metal 1500 desk has been the stand-
ard for clerical work in large
corporation offices as well as
in small offices.

In style—in quality—in price—the new Art Metal designs offer the biggest values of 1931

NEVER before have such styles, such finishes in steel desks been offered at such attractive prices!

Here's a brand-new Art Metal line—three luxurious new designs—Mount Vernon, William Penn, New Yorker. Each is fine enough to grace the private office of any high executive. Yet they're priced so low that you can easily afford to buy them for equipping the general office.

All are of the same fine steel con-

struction. All are equipped with convenient trays, drawer partitions, paracentric locks, improved drawer slides, and space to take care of desk-light and telephone wires.

These new desks are just the thing to dress up your office. Write us for descriptions—or the name of your nearest Art Metal dealer.

Desks for every purpose

In addition, Art Metal offers a complete line of desks to fit every special

or general business purpose. All are of ageless, fire-resisting steel—all built to meet the rigid Art Metal specifications. We'll be glad to send you a complete catalogue on request.

Art Metal Construction Company
Jamestown, N. Y.
Branches and Agencies in 500 cities

Art Metal

STEEL OFFICE EQUIPMENT

THE ART METAL LINE . . . Fire Safes . . . Storage Cabinets . . . Desks . . . Shelving . . . Plan Files
Horizontal Sectional Files . . . Upright Unit Files . . . Counter Height Files . . . Postindex Visible Files
IN THE ART METAL BUILDING EQUIPMENT DIVISION...Hollow Metal Doors and Trim...Elevator Enclosures...Architectural Bronze...Library Fittings...Partitions

When writing to ART METAL CONSTRUCTION COMPANY please mention Nation's Business

EDIPHONE



Edison's New
Dictating Machine

EDISON Made the Magic Notebook

The delays and handicaps of notebook routine are completely avoided with an Ediphone at every dictator's desk. The facility of voice-writing, at conversational speed, when ideas reach the tip of the tongue, easily gains another month in the business year. The fastest dictation is controlled in typing, with double production.

Our National Service will prove this at your desk and guarantee the continued satisfaction of your entire office. Hundreds of our old customers, nearby, will tell you so. Telephone "The Ediphone," your City, or write for our book, "An Easy Way to Chart Your Correspondence."

THOMAS A. EDISON, INC.

ORANGE, NEW JERSEY

World Wide Service in all Principal Cities

When writing please mention Nation's Business

Business Is Afraid of the Truth

(Continued from page 26)

profit on a small production. For the first six months of this year we have made a net of four per cent. I just received the figures the other day for the third quarter and we made a net of eight per cent.

"Now I consider the things that Mr. Simonds told us were of tremendous value. As a result of it, we have not reduced wages; we have not cut our executive costs; we have not had to change our executive staff. We are in a position now to take advantage of the low commodity prices."

How many forecast depression?

THIS one case came to my attention simply because the gentleman was assigned to introduce the speaker. Otherwise probably I never should have known of it. Just how many benefited by learning in 1928 and early in 1929 the truth about what was ahead of us we shall never know. Neither shall we know just how many were seriously injured by reading on or about January 1, 1929, and even later forecasts that led them to believe that business was in a new era, that there would never be another depression and that certainly there was no fear either for business profits or for stock-market profits on the bull side in 1929 and perhaps for many years to come.

To make my point clear and to stress it as it deserves to be stressed, I have told the story as I know it. I would have thoroughly enjoyed writing it if the "I" could have been entirely omitted. My hobby for years has been to try to help my fellow business executives recognize the importance of the science of economics and to study it as the guide to successful business management. As a part of this work, I have published and distributed to executives upon request without charge since July, 1922, a bi-monthly forecast of business

prospects with the title *Looking Ahead*. Now what I am going to add may seem preposterous; yet it is the simple truth. We have been able since the World War to forecast accurately many months in advance each major swing in business activity. We have given through *Looking Ahead* advance notice of every upward and downward swing. For illustration the downward swing through 1927 followed by the rise to the peak in 1929 was forecast by my assistant, John G. Thompson, speaking before the Financial Section of the American Management Association in May, 1926.

This forecast was repeated in *Looking Ahead*. In a book, "The American Way to Prosperity," published in the spring of 1928, Gifford K. Simonds, general manager of the Simonds Saw and Steel Company, and Mr. Thompson forecast that business would move up to a peak in 1929, to be followed by an extremely severe depression in 1930-1931. In *Looking Ahead*, beginning with May, 1928, and repeated in following issues until the turndown came, the 1929-1930 decline in business was forecast.

These forecasts were the result of no unusual mental power or clairvoyance. They were made by an economic factor, the swings in which are followed months later by corresponding swings in the volume of business. This has proved true without exception since 1884. We have made no detailed study of the years before 1884, but we are confident that such a study would give added evidence of the fact that every major swing in business activity is announced months before the turn by a turn in the trend of money rates.

We have attempted to bring this economic factor which forecasts short cyclical swings in business to the attention of business men and have obtained considerable publicity for it. If we are correct about it, our statements should be broadcast so that no executive or



Did leaders purposely keep the facts secret in 1929?



POSITIVE VISUAL CONTROL

ASK THE
"Y and E"
MAN

Today's executive stands or falls by his capacity to make decisions instantly. Facts were never more important, their method of presentation more vital. Complete records must be available at a glance if decisions are to be quick and accurate.

The new "Y and E" Visible Index gives the executive *positive* visual control. Based on years of study of existing equipment and our half century of experience, "Y and E" Visual Equipment incorporates radical improvements that meet today's need most effectively—with greatest efficiency.

The new Mechanical Principle used in "Y and E" Visible Equipment permits typing of records after the system is set up. A new type hinge extends the life of the system indefinitely. The cards lie absolutely flat, giving a firm, true writing surface on either side at all times. Making entries is a one hand operation. Work is speeded. Time of workers cut.

Ask the "Y and E" Man to demonstrate the many time saving advantages that make the "Y and E" Visible Index best for today's needs.



T. M. HARGEN, "Y and E" traveler in New England, states that the many orders he has taken for the new "Y and E" Visible Index are convincing proof of its superiority.

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Please send complete details on the new
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Steel and Wood Filing Cabinets . . . Steel Desks . . . Steel
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WHEN CAREFUL SELECTION IS VITAL TO SATISFACTION



For a Family Home ~and its Protection!

When you buy a home for your family, you choose with most careful consideration for location, surroundings and all the other elements that would make it a pleasant and proper place for all the family to live.

If equally careful in selecting insurance to protect that home and other property, you will consider the safety of CENTRAL'S policies, its strength, its fair adjustments and prompt settlements—together with the saving of its cost-reducing dividend.



Your satisfaction in your home is uncertain unless careful selection guides your investment. Security demands equal care in selecting insurance to protect it.

CENTRAL policies are written through local agents. For further information, let us send you the name of our nearest representative.

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SINCE 1921
HAS BEEN
30%**

Over 16%

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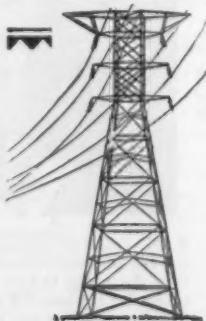
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Fire, Automobile and Tornado Insurance for Select Risks



BRITISH EMPIRE TRADE

Manufacturers seeking British Empire markets will find no better base from which to work than the Shawinigan territory in the heart of Canada, on its great ocean highway—the mighty St. Lawrence. Booklet on request.

Department of Development

The Shawinigan Water & Power Company

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MONTREAL, CANADA

business manager need be ignorant of it. Neither should any banker, broker or investor. If we are not correct, then some one should puncture our toy balloon.

When a captain at sea finds the barometer falling rapidly and far, he immediately prepares for a storm. He does not stop to discuss with the mate or other officers whether it is possible for the barometer to cause a storm. Money rates provide such a barometer for the short cyclical swings of business such as we have passed through in the four cycles from 1919 to 1931.

I do not hesitate to call attention to the forecasts made by this barometer. I point them out. Then I ask the reader to study the charts that show what has happened since the war. The charts show that no warning given by the barometer has been a false alarm.

Opinions without facts

BISHOP BERKLEY said more than a century ago, "Few men think, but all have opinions." The opinions of American executives should be a result of thinking on facts. Never in history were facts relating to business available so quickly and so accurately as today. Never before have they been studied by so large a number. Not for long will it be possible for "our men of affairs" to seek only for "a hopeful side and so exclude any disagreeable offsets."

The belief expressed recently by Albert H. Wiggin, chairman of the governing board of the largest bank in the United States, is bound to become generally adopted. He declared that nothing is to be gained in the long run by overstressing favorable factors and overlooking unfavorable ones.

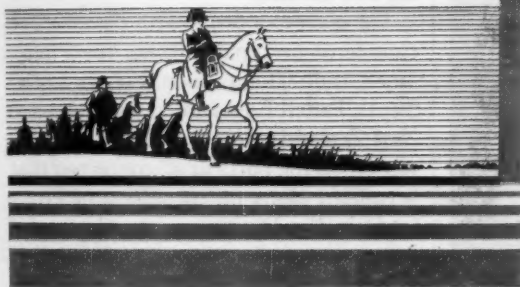
If some thousands of scientists and doctors possessed information that would prevent or cure cancer and withheld this information, imagine the indignation and condemnation that would follow. Read what Franklyn Hobbs says in an article in *Steel*, January 22, 1931:

"The commonest article of commerce is misinformation on fundamental things. The distribution and broadcasting of such misinformation caused a mild business recession in 1930 to develop into a serious and painful business depression. If every man in America had possessed the knowledge which was possessed by some thousands of real students of business conditions, this depression need not have been any more serious than the mild business recessions of 1924 and 1927."

Against whom shall be directed the indignation and condemnation?

CANNED FOOD

answered
Napoleon's
problem



THE fast moving, hard fighting army of France had a food problem. "Find a way to keep food fresh," commanded the Emperor Napoleon; and Nicholas Appert discovered the canning process.

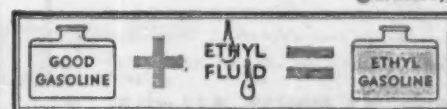
A few years ago automotive progress was checked because higher compression engines that gave the desired greater efficiency could not operate satisfactorily on ordinary gasoline. "We are stopped," said many engineers.

But one engineer thought otherwise. "Find a fuel that will stand high pressures," he said. And Ethyl fluid was developed. Added to good gasoline, Ethyl fluid produced a motor fuel that burned smoothly and economically under the higher pressures needed.

Gasoline plus Ethyl fluid found its first service in improving the performance of old type engines.

But since then many automobile manufacturers have designed motors to take greater advantage of the qualities of Ethyl Gasoline. The higher compression cars they have put on the market offer better performance at a reduced cost per unit of power.

You probably have some of these modern engines in your fleet today. They require a fuel of Ethyl's standard to deliver the performance for which they were designed. It is also the most economical fuel you can buy for them. Ethyl Gasoline makes *any* car run better. Ethyl Gasoline Corporation, Chrysler Building, New York City.



The active ingredient used in Ethyl fluid is lead.

ETHYL GASOLINE

When writing to ETHYL GASOLINE CORPORATION please mention Nation's Business

No foothold for climbing costs...

in this anti-friction drive

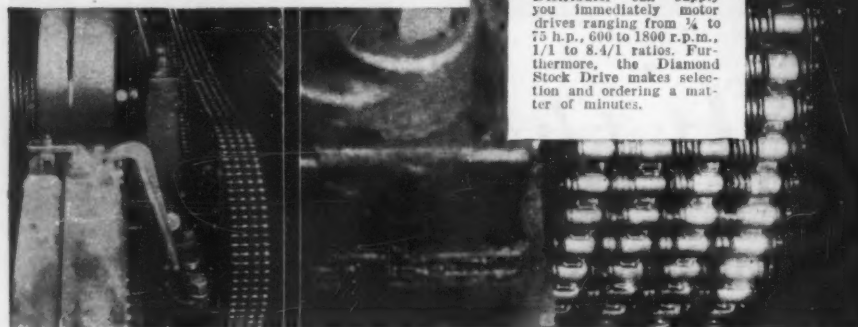
Costs increase wherever rubbing contacts are used... contacts which cause undue wear, premature breakdown, of the contact members. Costs mount wherever undue tension is placed on center bearings.

But costs have little foothold in Diamond Roller Chain Drives. The anti-friction rolling contacts repel wear; so does their specialized heat-treatment. Once manufacturers compare the performance of this drive with others, they are quick to standardize on it. For example, one international firm has more than 11 thousand Diamond Drives in their plants.

Every requirement of yours is met... speed, compactness, freedom from trouble; long-sustained rate of production, positiveness, flexibility, durability and quietness.


Booklet 102A, "Reducing the Cost of Power Transmission" describes Diamond Roller Chain Drives in detail. Send for a copy.

DIAMOND CHAIN & MFG. CO.
417 Kentucky Avenue, Indianapolis, Ind.
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MOTOR DRIVES From Stock

Most of your transmission needs can be met with Diamond Drives from stock. A nearby Diamond Distributor can supply you immediately motor drives ranging from 1/4 to 75 h.p., 600 to 1800 r.p.m., 1/1 to 8.4/1 ratios. Furthermore, the Diamond Stock Drive makes selection and ordering a matter of minutes.



DIAMOND DRIVES

for Every Industrial Need

NO LET-DOWN IN SPEED
AFTER YEARS OF USE

This Diamond on every link identifies the Diamond Chain

Combine Writing Dignity with Safety! Impart unbelievable beauty to your personal writing - invaluable safety and permanence to writing on checks, contracts, business and legal records

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Deep water and rail
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Lowest taxes

MONTREAL EAST

Joseph Versailles - Mayor
Versailles Bldg. Montreal

Pacific Business Men to Meet

TANGIBLE evidence of the growing "international-mindedness" of American business men is provided by the Pacific Business Area Conference, which will be held in San Francisco May 21-31, and the events which led up to the calling of the Conference.

The Conference had its inception during the good will cruise of the San Francisco Chamber of Commerce, a cruise made on the S.S. *Malolo* more than a year ago.

Tentative discussion of such a conference was followed by correspondence with various interested persons and organizations in countries bordering the Pacific and also with Washington officials. The idea met with such a cordial reception that the San Francisco Chamber decided to take the initiative in calling the meeting.

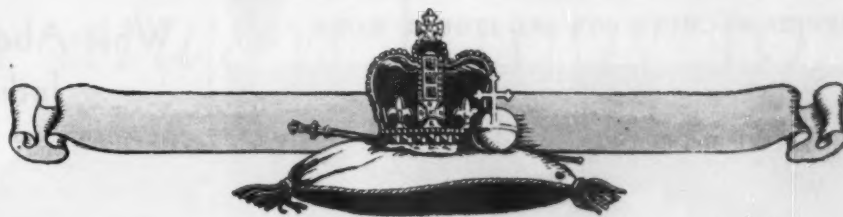
The correspondence with chambers of commerce in Japan, China, the Philippines, Indo-China, Siam, Straits Settlements, Dutch East Indies, Australia and New Zealand has revealed a strong conviction on the parts of all concerned that organized plans for expansion of future trade in the Pacific are greatly needed just now.

To further such plans, to consider the problems arising in connection with them, and to bring about closer personal contact between the men actually doing business in the Pacific will be the chief objectives of the Conference.

Of and by business men

THE sessions will be unofficial, confined to representatives of business and business organizations and strictly economic in character. No subject, however controversial, will be barred from discussion. Every effort will be made to obtain full and frank discussion of all problems or policies which tend to interfere with Pacific trade.

Executive direction of the Conference will lie with Robert Newton Lynch, vice president and manager of the San Francisco Chamber for the past 20 years and now in charge of the international affairs of the organization. Invitations have been sent to South and Central American countries and Canada and to interests in other parts of the United States doing business in the Pacific area, as well as to the trans-Pacific countries listed above.



Maybe you don't like that word "DOMINANT"

OVER a period of years THE SATURDAY EVENING POST habitually has been referred to as The Dominant Publication of America.

Some people dislike the forthrightness of that title—they may be right.

The phrase itself had origin not as an arrogant claim for the magazine, but as an accurate description of the calibre of its audience.

It was true then and *is true now* that the readers of The Post are the men and women who dominate and will dominate American life and thought!

THE clean and substantial character of The Post's circulation, plus its unprecedented size, explain this magazine's potency as a sales-medium for American business.

That is why it is the recognized national directory of the leading manufacturers of worthy goods.

That is why it carries the largest volume of advertising of any national publication.

That is why more successful merchandising plans are based on The Post alone than on all other national publications combined.

YOU may call The Post dominant or not, as you like.

It is the *quickest, cheapest, surest* way of influencing those foremost *three million American homes* whose preference is catered to by the trade and followed by the remainder of the public!

THE SATURDAY EVENING POST

"AN AMERICAN INSTITUTION"

THE CURTIS PUBLISHING COMPANY



INDEPENDENCE SQUARE, PHILADELPHIA



THE HIGH SPEED MACHINE FOR ALL FIGURE WORK



These two Comptometer trained operators handle Sales Analysis and Cost Figures that previously occupied the time of four clerks in the executive offices of the Automotive Parts Co., Columbus, Ohio

Comptometer speed cuts figure work costs

NEVER were statistical figures relating to business activities more necessary to successful management than today . . . nor the need of economy in compiling them more compelling.

Shifting values and stress of competition make it imperative that close tab be kept on the costs and overhead expense of all departments and operations.

Sales must be analyzed to locate low profit spots. Factory costs . . . office costs . . . *all* costs, need watching to hold the narrowing margin between profit and loss.

All this means work . . . more figure work . . . but, *not necessarily more expense*. On the contrary, with the Comptometer, even fuller information is often obtainable at less cost.

A case in point is that of the two Comptometers pictured above. They handle sales analysis and cost figures that previously occupied the time of four clerks. Added to this was a further saving of \$2,000 in equipment.

And the buyer ran no risk of a wrong choice. It was a case of "test before you invest". The decision rested, not on persuasive argument, but upon actual performance on the job.

The same test is available to you upon request. A Comptometer man is ready and willing to show you in a practical way, how Comptometer speed and service cut figure work costs. Call him up and ask him about it. No commitment either way.

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CONTROLLED-KEY
Comptometer
ADDING AND CALCULATING MACHINE

*If not made by Felt & Tarrant it's not a Comptometer
Only the Comptometer has the Controlled-Key safeguard*

When writing to FELT & TARRANT MFG. CO. please mention Nation's Business

What About the Small Industry?

(Continued from page 46)

1,400 employ less than ten persons. In itself that is a sizable score for small industry; but admittedly the mortality is high, and exact industrial definitions difficult. Let us look at the others:

Pittsburgh has 761 industrial plants that employ more than ten persons. Of these, 575 employ less than 150, and, of the 575, only 79 are not independently owned. In other words, more than 86 per cent are independents.

What of Boston? Its metropolitan area embraces 43 cities and towns within a 15-mile radius of the center of Boston. In this area are 4,778 industrial plants. Of these, only 447, or less than ten per cent, employ more than 100 persons. It should be stated in this connection also that the figure 4,778 does not include companies whose annual value of products is less than \$5,000—which means that many of the one-, two- and three-man industries, among which there is high mortality, are not included. Figures are not available on the percentage of Boston plants that are independently owned; but out of a total of 243 new industrial establishments of all sizes in 1929, only two were branch plants. Also, during the first six months of 1930, out of 103 new establishments of all sizes, only two were branches.

Philadelphia's standing

WHILE we are in the East let's inquire about Philadelphia. That city reports 5,860 industries, of which an estimated 650 employ between 50 and 150; and some 2,450 employ from 50 down to ten. Figures are not yet available (a study being now in progress) on the number of all Philadelphia industries that are independent; but of the 650 in the 50-150 employment bracket, 90 per cent are reported to be independently owned and operated.

Let's look at a Texas city. Out of 700 plants, Dallas reports an estimated 400 as employing from ten to 50 persons. Of this group practically all are locally owned. In the group employing from 50 to 150 persons, there are 150 industries. Of these at least 90 per cent are independently owned.

Here are two Virginia towns:

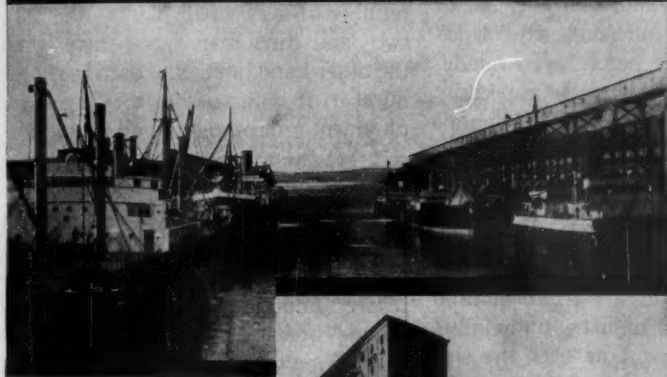
Roanoke has 140 industrial plants, 82 of which employ more than ten and less than 150 persons. Of these, 72, or 87 per cent, are independently owned. Out of Lynchburg's 55 industries, 42

"I'm *always* happy to bring my ship to... PORTLAND"

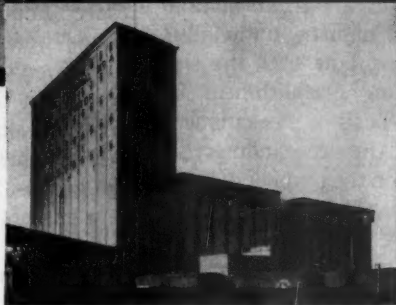
says Captain Duchesne of the
French Line



French Line motorship
"Oregon" docking at
Portland.



Economical handling of cargoes for ships in the Port of Portland is insured by adequate, modern equipment for rapid loading and unloading. Four municipal terminals have elevators, cold storage plants and large capacity tanks. The harbor has a frontage of 29 miles with berthing space for 100 vessels. More than 65 acres of cargo space and 50 piers are available. Fifty-nine steamship lines serve Portland on regular schedules.



One of Portland's Grain Terminals

CAPTAIN DUCHESNE, like many others who sail the seven seas, speaks enthusiastically of some of Portland's advantages as a seaport, such as its wonderful harbor of fresh water which cleans away barnacles from his ship, saving time and costly scraping in dry-dock; excellent wharfage and rail siding facilities to insure speed and economy in taking and discharging cargoes; pure, mountain water to fill the ship's drinking water tanks; the scenic charm of the trip up the broad and deep Columbia and Willamette Rivers to Portland.

Portland, a great world port, is a gateway to the Orient. Its commerce has doubled four times in 10 years. Its 30-foot channel to the sea at low water is being deepened to 35 feet. In 1930, nearly 3,000 ships entered and cleared from the Port of Portland. Portland manufacturers and distributors can reach the 60,000,000 people living in the 17 states that border on the Gulf and the Atlantic at a lower freight by steamer than manufacturers and distributors in the Chicago area can reach them by rail.

Come out this summer and learn first hand the great future which Portland and Oregon hold for ambitious men and women. At the same time enjoy a *never-to-be-forgotten* vacation in America's finest summer playground. And here's a suggestion! The trip by water from the Atlantic seaboard via the Panama Canal to the Pacific Coast and Portland is beautiful and inspiring, one that will live long in your memory. Consult your local travel bureau or ticket agent or write for special literature. Send for illustrated booklet, "Oregon and the Pacific Era."

PORTLAND, OREGON

The fresh water port of the Pacific



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Gentlemen: Please send me a copy of your illustrated booklet,
"OREGON AND THE PACIFIC ERA"

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Home life is happier when worry is eliminated.

Most family worry is the direct result of unprofitable spending.

The best way to banish such anxiety, to increase savings and to place the home on a more secure financial basis, is through the use of a Family Budget.

It makes possible the protection of the family, the education of the children, assured independence for old age.

Let us send you a copy of the JOHN HANCOCK HOME BUDGET SHEET.

A month's trial will help you. A few months' trial will convince you, that the Budget helps you to make the most of your income.

Use the Budget and know where the money is to go.



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Please send me a John Hancock Home Budget Sheet. I inclose 2c to cover postage.

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FOLDING CHAIRS
for Every Purpose

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HERE'S a book that will help you systematize your business—cut operating costs and increase profits now when greater record-keeping efficiency is important. Contains life-size Bookkeeping forms, completely filled in, illustrating uses. Shows simplest methods being used by 300,000 leading firms. Practical for office, factory, business or profession. Write on your business stationery and receive your FREE copy by return mail. No obligation.

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Name

Business

City State

employ from ten to 150, and, of these, 36, or 86 per cent, are independents.

Knoxville, Tenn., out of a total of 350 industries of all sizes, reports 225 that employ between ten and 150. Exact figures are not available on the percentage of independent plants in this city; but in the employment group 50-150, which includes 51 plants; 40 plants, or 78 per cent, are independent.

Let's look at two more cities—large industrial centers—before we close our pilgrimage.

First, Buffalo. That city reports within its own corporate limits approximately 2,000 plants. Of these, 998 plants are estimated to employ between ten and 200 persons. There are 198 firms that employ between 40 and 200, and, of that number, 147, or 74 per cent, are independently owned.

Independents in Atlanta

THEN here's Atlanta, with 637 plants, 343 of which employ from ten to 150 people. Of this group, 276 plants, or 80 per cent, are independently owned and operated. In the group employing between 50 and 150 people Atlanta reports 118 plants, and, of these, 90, or 76 per cent, are independently owned and operated. The percentage of independently owned plants is especially significant here, in view of Atlanta's well known and successful efforts to obtain branch establishments.

Having sampled the field somewhat, let us look at those impersonal government reports that seem so formidable but contain so much revealing information. What of the small industry nationally?

In the first place, how shall the size of a manufacturing establishment be judged? The only basis of measurement available for all American industry is the Census report on the number of wage earners employed. This, perforce, we shall use. It is not perfect, but for our purpose is as fair a basis as any.

For all the 190,000 odd industrial establishments in the United States, the average number of employees is a fraction less than 44, this being the figure for 1927. That was only a 12 per cent increase for the average industrial pay roll since 1914, although in the same period the power per establishment had increased 63 per cent and the value of products per establishment had increased 141 per cent.

Formerly the Census Bureau divided manufacturing establishments into groups according to the average number of wage earners employed. This was not done in 1925, but figures for earlier years and as late as 1923 are available.

It should be borne in mind, of course, that these figures represent the actual number of plants rather than the number of corporations that own them, no data being available on the consolidations represented. In 1925 the following tabulation represented the situation:

Wage Earners	Number of Plants
More than 1,000	963
501 to 1,000	1,784
251 to 500	3,835
101 to 250	10,023
51 to 100	12,346
21 to 50	25,212
6 to 20	54,609

To this tabulation should also be added the number of plants that employed less than six wage earners, which, in 1923, totaled nearly 90,000.

Many were surprised to learn that less than a thousand plants employ as many as a thousand persons. Such figures, of course, do not indicate fairly the importance of big plants, for, although their number is relatively small, their aggregate employment figures are very large. But that is not the thing with which we are concerned.

The question is on the fate of small industry; and although the tendency since 1923 has been to reduce somewhat the number of very small plants—the one-, two- and three-man type—there is, on the other hand, an actual decrease in the number of industries in the larger employment groups and a tendency to concentrate the average at less than half a hundred.

The Committee on Recent Economic Changes undertook to examine the behavior of our various industries in this respect. For this purpose, 321 industrial groups were created. Of this number, in 1925 only seven industries averaged more than 500 workers per establishment, and only 70 averaged more than 100. In other words, out of 321 industrial groups, 244 averaged less than 100 wage earners in 1925.

The small industry thrives

FROM all these figures, and from the individual cases of industrial cities, these facts, at least, are clear: the day of the small industry is not past; 46.9 per cent of all our industries employ less than 100 and more than five wage earners; 25.4 per cent of all our industrial workers are employed in establishments of that class; 21.5 per cent of the total value of all our manufactured products are produced in that group of plants whose average employment figure is below 100; and, finally, the "small" industry, contrary to popular fancy, is a prosperous and promising part of our industrial establishment.

Rivers of Cold... FOR MAKING RUBBER PRODUCTS

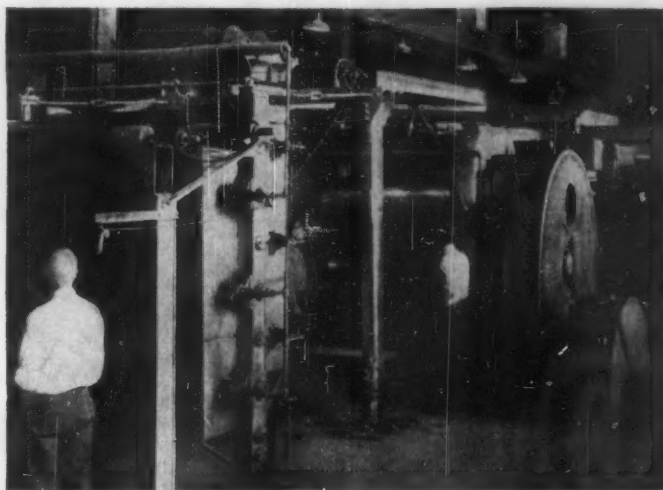
Humming tires and colorful raincoats, surgeon's gloves and golf balls... Mechanical Refrigeration enters basically into the manufacture of these and a hundred other rubber products. Refrigeration creates rivers of cold water to run through mixers and cooling drums. It prevents vulcanizing during process. It makes possible modern production methods.

In innumerable other ways and in hundreds of other industries, Refrigeration is at work... in food product freezing and preservation, in oil refining, in baking and rayon making, soft-drink bottling and chemical processing.

Always, however, the ultimate purpose of Refrigeration in industry is the same... developing new and better processes, speeding manufacture, saving time, cutting costs, building profits.

Wouldn't you like to find out how Refrigeration can work for you? York Engineering Service will make a close, competent study of your refrigerating problems. This service commands the experience of 50 years' in pioneering applications of refrigeration to every type of industry. It includes technical information and exact operating data which are of tremendous economic advantage to you. It is at your service. Communicate with the nearest of York direct factory branches in 71 U. S. cities.

YORK ICE MACHINERY CORPORATION
• • YORK • PENNSYLVANIA • •



Calender train, showing three calendars and cooling drums, for cooling the rubber fabric before it goes to the "wind-up." Photograph courtesy Kelly-Springfield Tire Company.

INDUSTRIAL REFRIGERATION DIVISION

ICE PLANT DIVISION

AIR CONDITIONING DIVISION

ICE CREAM AND MILK PLANT DIVISION

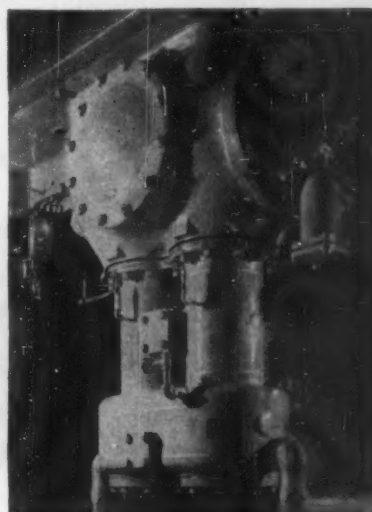
COMMERCIAL UNIT DIVISION

MARINE DIVISION

ACCESSORY AND SUPPLY DIVISION

EXPORT DIVISION

SERVICE AND MAINTENANCE DIVISION



Six large York Ammonia Compressors supply the refrigeration needed in the manufacture of Kelly-Springfield Tires. These compressors cool the huge quantities of water required for the calender train shown in the picture above.

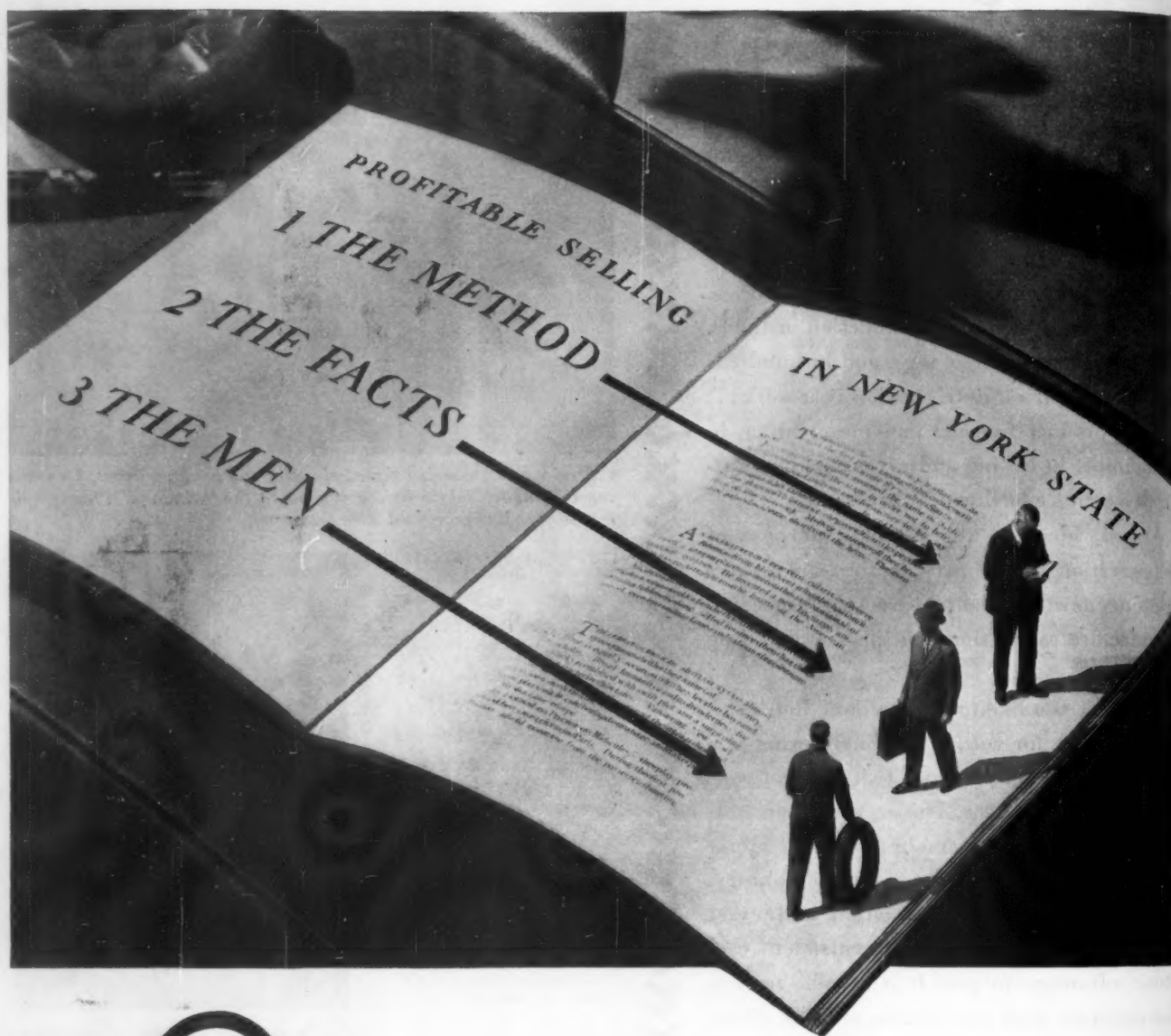
YORK

REFRIGERATION

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The three keys to the

WORLD'S



THREE ESSENTIAL KEYS

A METHOD by which sales effort can be economically concentrated and effectively controlled.

THE FACTS almost down to the last detail . . . the statistics and indices on which intelligent sales-planning can be based.

THE MEN. The names, addresses, and facilities of wholesale distributors. Also the roster of the directors and officers of the Marine Midland Banks . . . together with a cross-index to the 935 businesses with which they are connected.

When writing to MARINE MIDLAND

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GREATEST MARKET

An important new service to executives

BECAUSE *profitable* selling is the chief problem of American business, the Banks of the Marine Midland Group have prepared and published a marketing manual covering New York State.

This book has involved literally thousands of hours of expert work. The methods suggested, and the statistics tabulated are based on the experience of successful industries in many different lines.

In addition to these methods and statistics, 16 Marine Midland Banks, located in 16 New York State communities, offer an unusual *localized* knowledge of the areas served by each. Much of this knowledge is available in this manual.

How to get this book

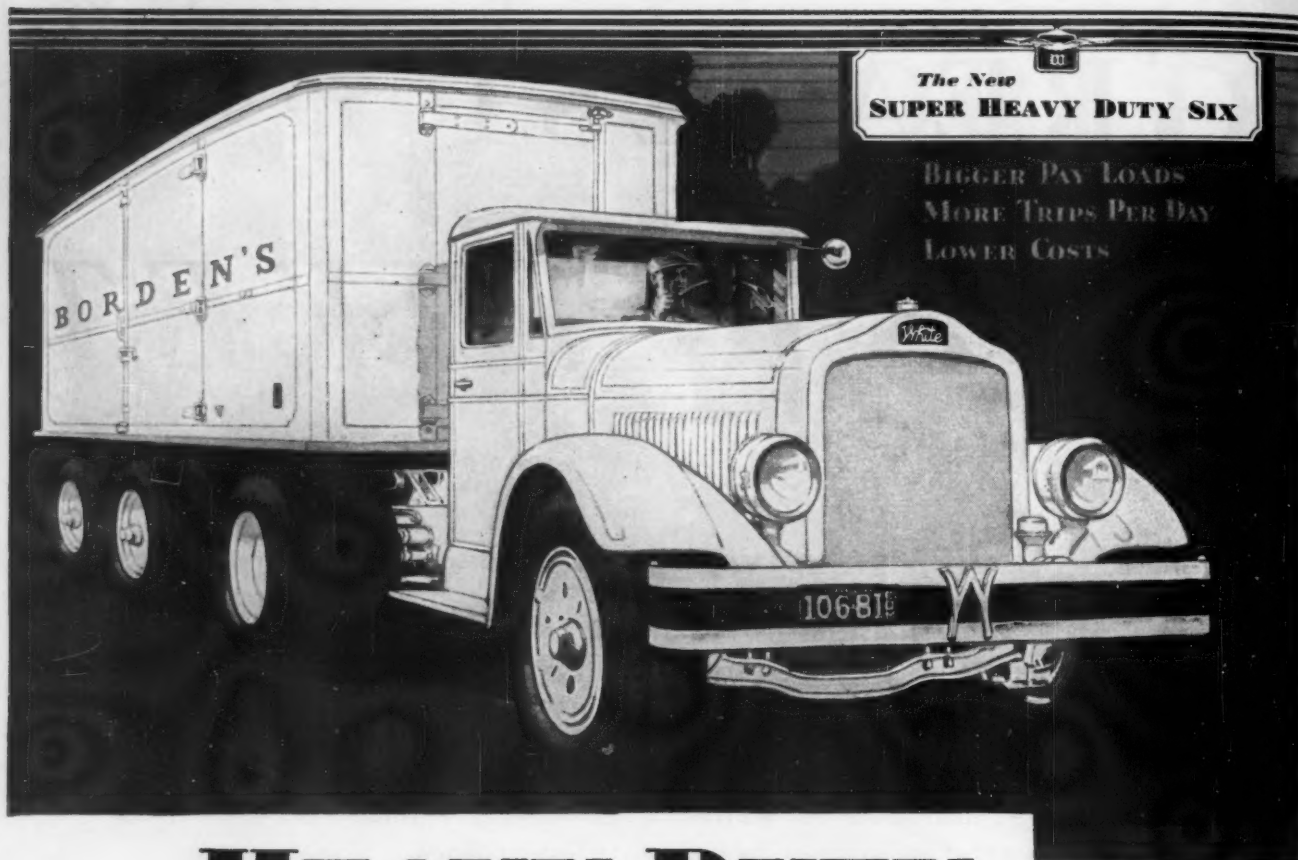
All this information, plus a tested method of measuring sales opportunity makes this 106-page manual, "Profitable Selling in America's Greatest Market," of definite value to companies interested in New York State. If, as an executive of such a company, you wish to receive this book, address the Marine Midland Group, Inc., 706 Marine Trust Building, Buffalo, N. Y.

The 16 Banks in New York State that compose the Marine Midland Group are:

NEW YORK CITY.....Marine Midland Trust Company
TROY.....The Manufacturers National Bank of Troy
BINGHAMTON.....Peoples Trust Company
JOHNSON CITY.....Workers Trust Company
CORTLAND.....Cortland Trust Company
ROCHESTER.....Union Trust Company
ALBION.....Orleans County Trust Company
LOCKPORT.....Niagara County National Bank & Trust Company

BUFFALO.....Marine Trust Company
EAST AURORA.....Bank of East Aurora
JAMESTOWN.....Union Trust Company
LACKAWANNA.....Lackawanna National Bank
SNYDER.....Bank of Snyder
TONAWANDA.....First Trust Company
NORTH TONAWANDA.....State Trust Company
NIAGARA FALLS.....Power City Trust Company

Banks of the MARINE MIDLAND *Group*



New HEAVY DUTY WHITES

.. More power, speed and greater economy

White now offers three new series of six-cylinder models that cover every possible requirement in the super heavy and heavy duty truck fields. Increased power with greater chassis strength assures easy handling of heavier loads at higher speeds and lower costs.

The new Whites, including the six-wheelers, have a gross weight range from 15,000 to 40,000 pounds for a single unit, enabling an operator to carry the loads permitted in any state. Tractor units are available for extra heavy freight transfer or long-distance motor transport. New conveniences reduce driver effort to the minimum. Four-wheel brakes assure greater

safety — air brakes or power-applied hydraulic brakes, according to model.

White builds a complete line of six-cylinder models covering every transportation requirement from one ton capacity up. Trust your job to a White because every White is built to earn more money for you *every day*. Any White model can be bought on convenient terms.

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WHITE

BRANCHES AND DEALERS IN ALL PRINCIPAL CITIES

TRUCKS BUSSES

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The Man Who Saved an Industry

(Continued from page 23)

or voice always gave me the clue as to whether he was joking or serious.

"In his early days as an oil buyer he would enter a hotel and sign his name, 'J. D. Archbold, \$4 a barrel.'"

"Few persons have the ingenuity to make a dignified hotel register a perfect, costless advertising medium.

"With Archbold's entry came William (Bill) Fleming—the greatest oil scout ever known in the oil regions—in touch with every development—friends with every oil well driller. His 'beforehand' information saved millions to the fast growing enterprise. All through the later 1870's up to 1892 and 1893 his knowledge of producing in-coming and out-going fields made Bill an important personage. Archbold, with the help of Fleming's knowledge of the producing situation, controlled at that time the oil markets of the world."

Mr. Higgins first remembers Mr. Rockefeller as a man with a large mustache and side whiskers. Later he shaved off the side whiskers and wore only a large mustache, flowing over his lips and concealing them. Still later the mustache was clipped close, the style most affected by brisk business men of the day.

Finally that, too, was shorn away and his mouth, with its large, thin lips, stood revealed to his critics who promptly associated them with severity and grimness.

"But," says Mr. Higgins, "a whimsical upturning at the corners denied this reputed severity. When the sidewhiskers and mustache were gone, John D. came to look more and more like his mother. I met his mother only once.

In the Rockefeller home

"IT WAS a bitterly cold Christmas Eve. I was still a messenger. Mr. Rockefeller handed me an envelope and told me to take it to his mother. She opened the door for me and said, 'Pretty cold, son. Come in and have a glass of milk and a piece of apple pie.'"

"While I ate, she opened the envelope and smiled happily. She nodded to a picture of her son over the mantle.

"'He is a good son and good to his mother,' she said."

However, the job as messenger for the early Standard Oil was not all drinking milk and eating apple pie.

"I worked hard," Mr. Higgins says. "Everyone who worked hard and faithfully for the early Standard found himself with an assured future. That was one reason for the company's success. Every man had come up from the ranks and everyone knew that if he made a success out of a little job, a bigger job was waiting for him. Office politics did not exist. We sometimes got mad at each other but we didn't carry on petty intrigues."

I asked Mr. Higgins who of the present day men he regarded as the one coming the closest in business methods to the "Old Guard." His reply was:

"Walter C. Teagle because of his sweet nature and modern ideas in building up and conducting the oil business. He is a man of wonderful vision and great on organization."

Opportunity for investment

"MY own first promotion came unexpectedly. One evening—this was after I had been with the company five years and we had moved to a larger suite of offices in the Rockefeller, Chisholm and Harkness Building—Col. Oliver H. Payne bumped into me as I was putting on my coat to go home.

"'Mr. Rockefeller,' said Payne, 'thinks that you should have a little stock in the company.'"

"'I don't see how I can pay for it,' I replied.

"'Oh, you must take it,' said Colonel Payne. 'See if you can't.'"

"It was a life-long habit of Mr. Rockefeller never to drop prosperity into anyone's lap without some effort on their part. His distribution of dimes today has a definite psychology behind it. As active head of the company he would put opportunity in the way of employees but, to take advantage of that opportunity, the employees had to do a little sacrificing. That is the Rockefeller philosophy—nothing is worth while until you have worked for it.

"Well, the next day I went to see an old friend, David Luety, who was president of a savings bank. My breathless insistence won me an immediate audience. I told him I had a chance to get some Standard stock at \$75 a share.

"He almost jumped out of his chair.

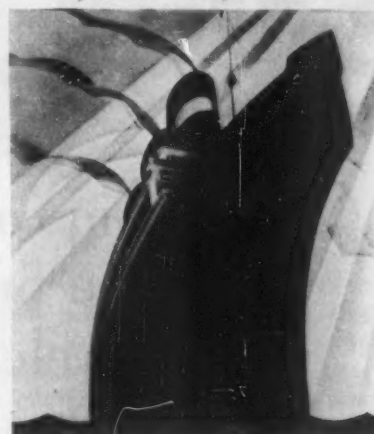
"'Get all you can and see if you can't get some for me,' he shouted.

"I obtained 25 shares. Mr. Luety

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Cosmopolitan Crowd!*

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Travel has become an important industry. Great nations now seek travelers as they seek trade. America itself, within the last decade, has become a nation of travelers.

This industry has made it possible for the world-wide organization of the American Express to establish offices in 25 countries—to maintain a staff of men and women in the United States and Canada—to assist travelers in planning their journeys and in securing their accommodations—to station an additional staff of people abroad for their assistance when away from home.

Of this number, 190 men in uniform are stationed at docks and other points where travelers most need a helpful, friendly hand. Others are assigned the task of looking after the tourists' mail. Still others are continually aiding travelers with their travel needs—caring for their financial requirements.

The rapid growth of this travel industry has prompted 17,000 of the leading banks of the United States to furnish travelers with the Travelers Cheque, devised by the American Express Company forty years ago as an international currency.

More than two billion dollars of American Express Travelers Cheques have been carried by travelers to every corner of the globe. Foreign countries have come to recognize them as a distinctive American institution. To them they are the insignia of a big American company devoting its energies to the travel industry. One million people, men and women, last year, had safer and pleasanter journeys because the American Express Company has made it a business to help travelers travel.

This service is available merely by writing or calling at any American Express Office or 65 Broadway, N. Y. C.

AMERICAN EXPRESS COMPANY
WORLD SERVICE FOR TRAVELERS



gladly took ten and agreed to carry me for the others.

"A few years ago Luety died and that stock sold for about \$30,000 a share.

"That reminds me of the serious mistake of Samuel Andrews, one of the original founders of Standard. He had advanced his small capital to help establish the company and in the early days was timid about our fate.

"His business was to superintend the refineries. When he came to town and noticed that we had added a room to our offices or put on another clerk or bought some new furniture, his alarm increased.

"Don't you think we are going ahead too fast?' he kept saying.

"Mr. Rockefeller began to be annoyed.

"One day Andrews said, 'I wish I was out of this business. I see its downfall.'

"How much will you take for your interest?' Mr. Rockefeller asked.

"I have heard that Andrews set the price at one million dollars.

"Two days later Andrews had sold his stock. Soon afterward his interest was said to be worth up to 900 million.

"This enormous growth was possible only because one man went about his work, patiently enduring the lashes of public opinion.

Worked for sound business

"MR. ROCKEFELLER realized that, before we can consume, we must produce and, if competition brings low prices to the destruction of production, it is a false god. He had the courage, the vision and ability to challenge this practice. He stifled competition but he saved an industry.

"Today, 36 years later, the oil house is again in disorder. It needs another Rockefeller. Indeed, I might say that Rockefellers are needed in almost every field of business. What is the matter with oil? The same thing that is the matter with almost every other commodity—overproduction. Why is there overproduction? Because there are too many producers and there are too many producers because our laws prevent their consolidation. Our economic thinking still worships competition. Our anti-trust laws insist that, so long as consumers get lower prices and producers slaughter one another, prosperity is achieved.

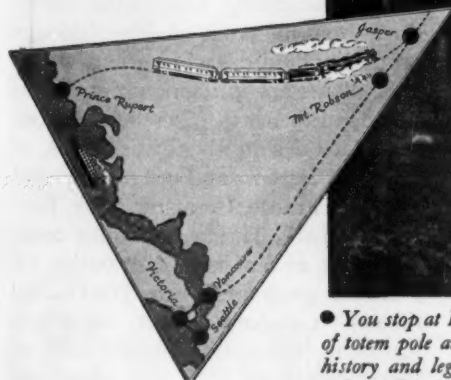
"Because Mr. Rockefeller had vision to lead an industry out of the wilderness, the world envies his success in business. I envy his success in life. He is a master architect of that most priceless of all achievements—happiness."

The famous 5 day TRIANGLE TOUR of the Canadian Rockies

and KITWANGA
strange land of the Totem



• Here is the route of the 5 day Triangle Tour. Canadian National also operates daily north and south bound steamers connecting Vancouver, Victoria and Seattle.



• You stop at Kitwanga long enough to see these fine examples of totem pole art. Fascinating and grotesque, they record the history and legends of the Indian aristocracy. Today totem pole carving is fast becoming a lost art, for the Indian has adopted the white man's tombstones—carving on them symbols similar to those on the colorful totems of Kitwanga.

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See Mt. Robson, armoured giant of the Canadian Rockies . . . visit Jasper National Park—golf on its championship course—ride on mountain-trails. Travel on to Kitwanga, strange land of totem poles, and the famous "River of Clouds." Cruise from Prince Rupert, through the fjords of the Pacific Coast, to Vancouver—returning to Jasper by rail along the roaring Fraser and Thompson River Gorges. Or reverse the order and start at Vancouver. Write for complete information.

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LOS ANGELES
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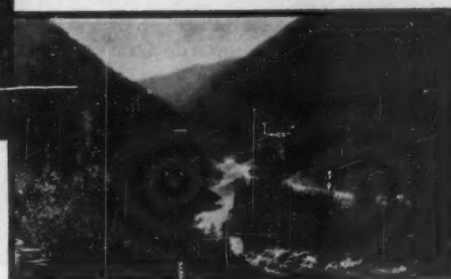


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Every model adheres to the high Ideal standard that has become traditional through 15 years of manufacture—and service on 25,000 fine lawns—of the world's largest line of mowers. New Roller models develop rich, thick sod by the English rolling system (22 and 30-inch cut). In the new Wheel types, aluminum construction gives lightness at no loss of strength (20 and 25-inch cut). Your request brings illustrated catalog on lawn maintenance.

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Dealers in all principal cities

The *New* IDEALS

FIVE SIZES

When writing please mention Nation's Business

The World Depends on America

(Continued from page 50)

which Europe ought to borrow are mass output, use of modern machinery, extensive advertising and publicity. He has introduced all of these elements into his business.

It is in Germany, however, that adoption of American ideas of production and distribution has been greatest. Germany's really serious efforts in this direction date back to the end of 1924, after the country's stabilization as a result of the Dawes Plan. Since then her technical progress has been tremendous.

Rationalization has become a fetish with the German business man. For a time it was carried through with indomitable energy.

German manufacturers realized that they needed concentration and reequipment. The reequipment was financed largely with funds borrowed abroad, principally in the United States, but the results of the rationalization thus achieved are plainly visible in Germany's position today.

She is far ahead of her principal European competitors in the rate at which efficiency of production has increased. This is reflected in her international trade position. Between 1926 and 1929, the absolute increase in Germany's exports, mainly manufactured goods, was much larger than that of any other European country.

Great Britain is ready to join

GERMANY'S technical progress and her resulting commercial advantage have been largely responsible for the growth of sentiment in Great Britain in favor of a similar transformation there. Great Britain has been slow in joining the procession, but what she lost in time she has been attempting to make up in activity. Almost every British financial journal carries reports of mergers, fusions, amalgamations, and other business combinations in a variety of industries. This rationalization requires capital and, under the guidance of the Bank of England, facilities have been built up to meet this need.

Rationalization is being carried out in other countries also. Italy has been making determined efforts to modernize her industries. Belgium, Czechoslovakia, Austria, Poland, Sweden have been doing the same thing. Russia has taken for her motto, "Strive for the

American level of production." In Japan, in the British Dominions, and elsewhere the same process has been going on. No wonder American industrial machinery has been finding ever-increasing outlets.

Together with the modernization of production, the world has been taking over methods of distribution developed here. Chain stores, department stores, "one-price" shops (a counterpart of our five-and-ten-cent stores) are growing up everywhere. Instalment selling is fast becoming almost universal.

All these marketing devices are not particularly recent inventions, nor are they especially of American origin. Yet here again, the pace set by the United States has been the determining factor in their wide and rapid acceptance and adoption.

American industry is world-wide

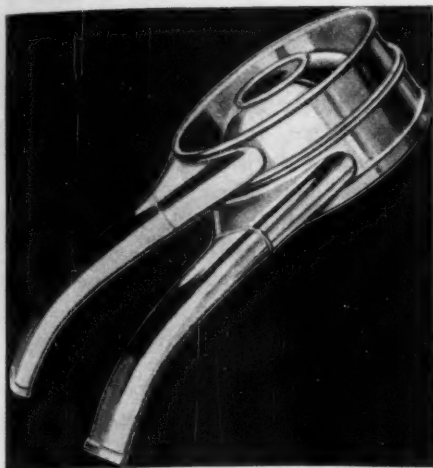
THE spread of American methods has been greatly advanced by the transplanting of American enterprise. The world-wide scope of the American oil companies is well known. Similar scope is now being attained by the American electrical industry. The International General Electric Company, for example, now participates in ownership and operation of more than 90 enterprises in Europe, Asia, Canada, South America, Australia, Dutch East Indies, and Africa.

The American automobile industry is likewise acquiring world-wide significance from the point of view of foreign production. Ford factories and assembling plants are springing up in various corners of the earth. There are now two such factories in the British Isles, at Cork and Dagenham. Ford factories and plants in France, Germany, Italy, Russia, Denmark, Turkey, and other countries serve as centers of distribution for a definite geographic area. The General Motors Company owns important European automobile plants, such as Vauxhall Motors, Ltd., in England and Opel in Germany. Its plant in Antwerp, Belgium, is a great distributing center for its cars imported into Europe.

American participation in mining enterprises is growing. Similarly, American steel interests are entering foreign fields.

These are only a few outstanding instances of the world-wide spread of

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The separator manufacturer for whom these parts were made, found that G. P. & F. could supply better stamped parts at less cost than he could make in his own plant.

PLANs and estimates incorrectly made, unforeseen charges "bobbing up" later on, a high percentage of "rejects" . . . these or others are the penalties of too much emphasis on die charges.

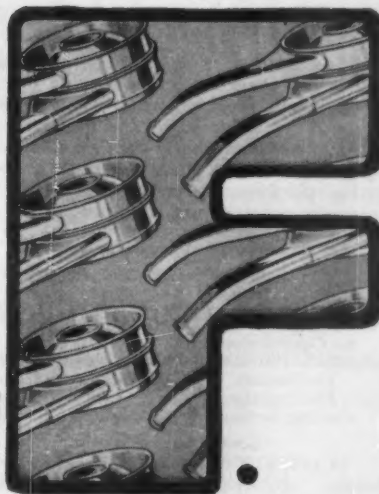
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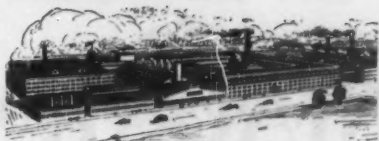
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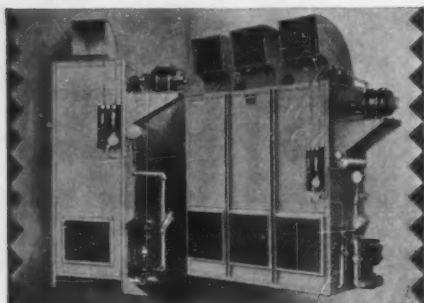
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Includes Six Separate Operations:

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AIR ENGINEERING EQUIPMENT

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American enterprise. Nobody knows the actual extent of the movement. But even its high spots indicate its importance.

Many American enterprises operate abroad in the form of branch factories. There are nearly a hundred such factories in Germany and an even larger number in Great Britain. To a smaller extent they exist in other countries.

These American branch factories exert considerable influence on the business organization of the countries in which they operate.

They become powerful competitors for locally owned enterprises, which, to meet the competition, must adopt similar methods. They thus become powerful factors in a gradual reorganization and modernization of whole branches of production and of their marketing equipment.

Apart from production, important American enterprises in the field of commerce are operating in other countries. The Woolworth Company, for example, has established stores in various countries, notably Great Britain and Germany.

Large American advertising agencies have active foreign branches. The whole character of advertising and publicity all over the world is assuming forms developed in the United States.

Important American engineering firms, especially of the construction-financing type, have expanded their activities far and wide. Firms such as Ulen and Company, for example, are doing all sorts of construction work—water-works, irrigation projects, roads—in such widely separated localities as South America and the Balkans. In undertaking contracts of this kind, these firms usually provide not only technical knowledge and personnel, but also most of the necessary funds.

In all these forms, American enterprise has been spreading through the world. But there is still another way in which American experience has been made available to other countries—the work of American experts, invited by private interests or public authorities.

American financial experts

THE accomplishments of American financial experts are well known. Such experts have assisted in the formulation and execution of the Dawes and the Young Plans. They include men like Owen D. Young, J. P. Morgan, Thomas W. Lamont, Gates W. McGarrah, J. Parker Gilbert, and dozens of technically equipped specialists. Professor Kemmerer of Princeton holds an almost unique position as a consulting diagnos-

tician for currency ills. The Bank of England has had for some time an American adviser, first Walter S. Stewart and now Professor Sprague of Harvard. Similarly, American advisers have been employed in smaller countries.

Less known, but equally important, has been the work of American experts in industry. In a recent interview, a prominent British banker said:

"We have already used American brains, with their experience of mass production, to assist in reorganizing our industries. We may have to use more."

Russia seeks technical men

PERHAPS the most spectacular example of eagerness to obtain the services of American technical experts is Soviet Russia. Leaders there are tremendously impressed with the American system and are not only obtaining American equipment, but also are employing American technical experts.

One of the methods is the "technical assistance contract" under which foreign firms undertake to place their technical experience at the disposal of Soviet organizations. On March 1, 1930, 104 such contracts were in force. Of these the most numerous and important were those with American firms. Another method of utilizing American technical skill is to employ individual experts. Many such American technicians are now in Russia.

The employment of American brains in industry in communities so widely divergent from the point of view of economic advancement as Great Britain and Soviet Russia shows the wide appreciation of American technical experience.

The world has followed America's leadership in making mechanical power a servant of man on a truly unprecedented scale. No wonder that today, when a period of difficulties has temporarily halted the triumphant march of this economic advancement, the world looks to America to show the way of surmounting these difficulties and of resuming once more the forward economic movement.

American enterprise and American inventiveness have been largely responsible for the colossal strides in production which are the essence of the second industrial revolution. The difficulties of the present appear to be mainly on the side of distribution. Here, then, lies the greatest task of economic statesmanship. Leadership in a successful handling of this task is bound to come from America.

ALL THAT'S LEFT



Is The Squeal

A great change has taken place in the stockyards since the time when an animal was killed only for its flesh. Today nothing is wasted. Everything, in some form or other, finds its way to the market . . . horns and hide, bristles and bones.

And when means were first invented for transforming heretofore waste material into commercially valuable products, General American built many of the railroad cars necessary to transport them.

Today the two industries are inseparably intertwined. The animals come to the yards in *stock cars*. The fresh meat is shipped

from the yards in *refrigerator cars*. Other products, including salted meat, canned meat and hides, are shipped in *box cars*. And many others, such as lard, gelatin, margarine, lubricants, and glue are transported in *tank cars*.

The construction of all kinds of railroad cars, however, is but one phase of General American's manifold operations. It also maintains a vast fleet of 40,000 cars which it leases to shippers throughout the country . . . besides operating a large public export terminal for the storage and handling of bulk liquids, and an extensive European freight transportation system.



No matter what you are shipping, you will find it profitable to confer with our engineers. Railroad transportation is always dependable—a railroad car can be built to carry any commodity in bulk. Write or wire, Continental Illinois Bank Building, Chicago.

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When writing to GENERAL AMERICAN TANK CAR CORP. please mention Nation's Business



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29th Avenue and 24th Street, Long Island City, N. Y.
Acco Canadian Co., Ltd., Toronto

ACCO FASTENERS

Socialism— American Style

(Continued from page 35)

has been publishing a monthly magazine. In this way we are now reaching between 3,000 and 4,000 individuals, organizations and municipalities with the most essential facts and information relative to public utilities and public projects every month."

Publicity in franked envelopes

IN THE twelfth annual report of the Public Ownership League for 1928-1929, Secretary Thompson tells of the League's work in schools and its political activities. The report also says:

"During the year arrangements have been made with United States Senator Norris for securing large quantities of his addresses in the Senate dealing with public ownership, and especially with the Ontario Hydro-Electric Power System and the question of comparative rates under public and private ownership. These reprints of Senator Norris' speeches are in franked envelopes so that they may be used to great advantage throughout the country in connection with municipal campaigns where these questions are at issue. This constitutes a new feature of the educational work of the League which is valuable because it enables us at a small cost to reach every voter in a community."

Another one of the organizations that has "sprung up," but which seems not to be unusual either in its aims or its personnel, is the National Popular Government League. This League has constantly advocated government ownership of key industries. It has had at various times on its directing committee seven officers of the Public Ownership League.

Still another organization that comes into the picture is known as the Peoples Legislative Service. Its name would indicate that it is the result of a strong voluntary uprising for some great accomplishment in the methods of Government. That may be true, but just the same we find familiar faces in the Peoples Legislative Service.

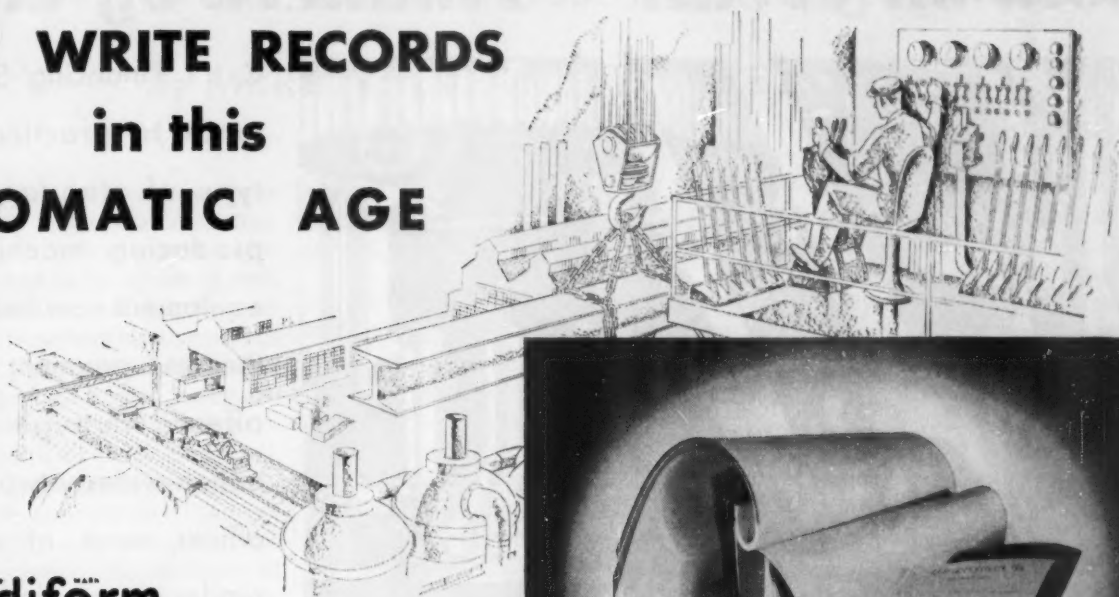
I have given here only a few of the facts as they have been collected in the "campaign against the utilities of the United States" to show that we find an interlocking interest in all these organizations. I think it has been shown also that the plan of gradual socialization is looked on with great favor by those who stand for the wholesale nationalization of industry.

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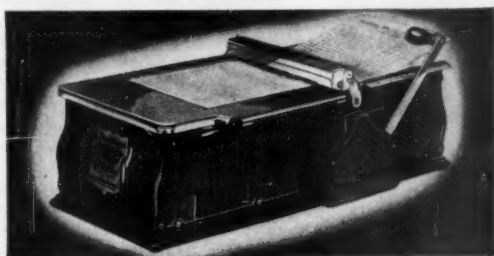
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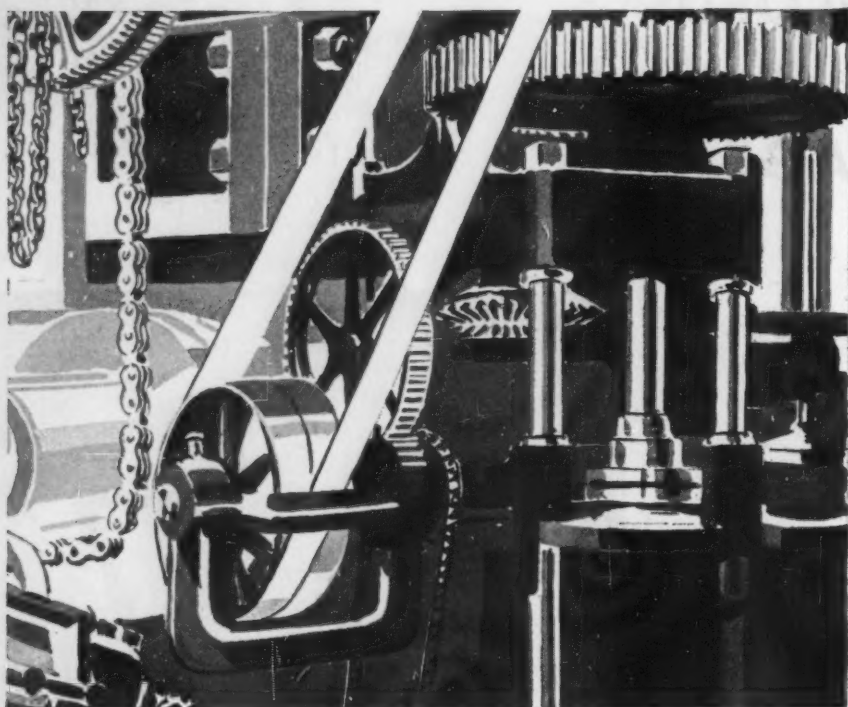
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What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

PERHAPS the most significant change in the economic situation in the first quarter of the year was in the minds of men.

Executives and security operators tired of remaining pessimistic, and began to cast their thoughts to the business recovery which seemed destined to follow the downward readjustment.

With the spirit of panic eliminated, the business public once more recognized that the business cycle had not been adjourned, and that after the night of depression the daylight of economic recuperation would follow. Though serious business analysts recognized that recovery would be a slow and irregular process, speculators, who change their opinions with mercurial swiftness, sought to discount in a few days the program of rebuilding, which must be accomplished gradually over a long period of months.

Accordingly, though the optimists may ultimately be vindicated by the event, the rashness and premature character of their operations have rendered the stock market subject to severe intermediate reactions whenever the collective financial mind compares tangible business improvements with advances in individual stock prices.

THE foolish doctrine, born of panic, that American business was permanently at the end of the rainbow has passed, as financiers who kept cool knew it would. At the climax of the selling wave last December, the chief executive officer of one of America's principal banks, talking with me off the record, said:

"With the closing of 1930, I think at home we shall have turned the page on most of our domestic economic mistakes and shall have had a clear view of the ills resulting therefrom. I am in hopes that this will mean that apprehension at least will be largely removed from the to-be-expected continued depression. If this has been accomplished, then, psychologically, we shall be ready for an improvement, and I am old-fashioned enough to believe that the real improvement will find its expression in the bond market and in the stock

market before the business charts show convincingly that business itself has improved."

THE improvement has not been exclusively sentimental. The statistical indicators, which were available at the beginning of March, showed that for several months general business had ceased declining. The business situation seemed to be describing a trough, and even the most pessimistic must concede that business at least reached a temporary resting place.

Signs of positive improvement were seen in steel statistics, in production, in value of building contracts awarded, in department-store and chain-store sales, in cotton textiles, and in merchandise car loadings.

But, as is usually the case when a major change in trend is impending, the economic picture is clouded with contradictions.

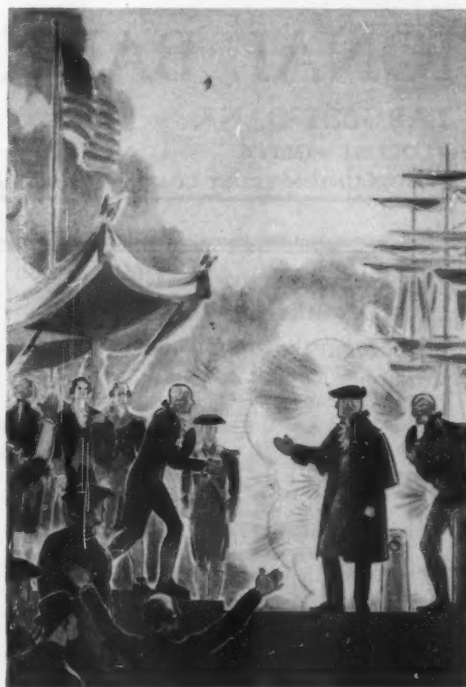
IF a major turn in business has come, it is significant that the change in business preceded the shift in the stock

market. The market waited at least for a hint that business had touched bottom before starting the winter rally. Those who remember the false and premature winter rally of 1930 have been waiting this year for actual confirmation in business statistics of the optimistic surmises on which bull speculators have been basing their operations.

It will be recalled that in 1929 business turned downward before the collapse of the bull market in securities.

These incidents are more in line with Carl Snyder's doctrine that the stock market follows business trends instead of forecasting them. As a matter of fact, business is the fundamental thing, and speculation a vague reflector of the reality. When a major change of trend is impending, the stock market waits for business, but after speculators have received a cue, they proceed gayly to anticipate business developments far ahead.

THE collapse in the price of silver, which has disrupted the buying power of nearly half the world's population, has further turned our own silver coins



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THE Arrival of Washington at the Foot of Wall Street for His Inauguration, one of the murals by Charles Baskerville, Jr., for the Wall Street Club



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The First National Bank in St. Louis, the key bank in the Central West, is a bank with a national point of view with facilities and resources adequate to meet the legitimate financial requirements of national manufacturers and distributors, entering the great St. Louis market.

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into fiat currency, based on the general credit of the Government, rather than on metallic content.

Melting silver coins in the present market would entail heavy losses. The actual value of the silver in a dollar was recently 22.334 cents.

WILLIAM JENNINGS BRYAN in 1896 advocated the free and unlimited coinage of silver in the ratio of 16 to 1. At its recent low point, silver had declined to the ratio of 80 to 1.

Shortly before his death, July 26, 1925, Bryan responded to my request for his later views on the question of free silver. He wrote me:

"I do not regard the time opportune for the discussion of the money question. It takes a serious business depression to arouse a discussion of the money question. The discussion in 1896 came at the end of a long period of decline of prices, during which three international conferences were held to restore bimetalism. The increased production of gold and the consequent rise in prices demonstrated the truth of the quantitative theory of money, but as the increase came from an unexpected source many failed to realize that the contentions of the bimetalists had been sustained by experience.

"An attempt to revive the money question at this time would tend to divert attention from other questions about which people are thinking."

IN HIS letter defending the quantitative theory of money, Bryan alluded to the availability of gold for monetary purposes. In 1896 the world supply was \$4,150,000,000. By 1906 it had leaped to \$6,025,000,000. By 1916 it was \$8,769,000,000. At the end of 1924 it was approximately \$10,018,000,000.

At the close of 1930 the supply of gold holdings by the central banks and governments of 45 countries was \$10,915,000,000.

Giving an economist's view of bimetalism, H. J. Davenport, professor of political economy at Cornell University, said:

"We may conclude then that in a period of falling prices bimetalism would at its inception tend to mitigate the tendencies toward generally lower prices and would offer the prospect of further advantages in the remote future—advantages, however, of no great significance to the problem. In a period of rising prices the harm attending the initial step would pretty nearly outweigh such remote and unimportant and es-

SUNSHINE... for a Rainy Day

THERE are some two million families in our country with yearly incomes of \$5,000 and more. Few among even these fortunate families are able to go through life without "rainy days" when extra money is essential. What of the other twenty-four and a half million families with smaller incomes? It is harder for them to put enough aside for rainy days when money is needed desperately.

And when sickness strikes or taxes are due or any emergency wipes out savings and more, what is the way out of their difficulties? Who will supply these families with the vitally needed money? Where is their sunshine?

The banks will not lend money without bankable securities. Merchants cannot afford to wait. Doctors are entitled to prompt pay. Taxes cannot be put off.

Fortunately, neither debtor nor creditor need be distressed in this state. The laws have provided for family finance companies who loan up to \$300 at a rate that is fair to both the individual and the company.

Largest and foremost among these is the

Household Finance Corporation with 132 offices serving 73 principal cities. These families may go, and in business-like privacy, get the money to tide them over emergencies. No endorers required—just the signatures of husband and wife. Household's charges on loans over \$100 are almost a third less than the rates allowed by law, with as long as twenty months for repayment.

There, too, they may get sincere advice on income budgeting so that they will be ready for the next rainy day.

MONEY MANAGEMENT FOR HOUSEHOLDS, a helpful booklet on budgeting family income, leading to the happiness of financial security, is offered without charge to all. Telephone, call, or write for a copy.

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Headquarters: Palmolive Building, Chicago, Illinois
...132 Offices in 73 Cities... Consult your telephone directory for the office nearest you!



Turn the dial to your NBC Station every Tuesday night at 8:00 Central Time and be a guest of the Household Celebrities, featuring America's foremost stars of the opera, concert, and stage, as well as leading thinkers in affairs of national importance.



Thawing out frozen credits

Sunshine on rainy days, for the more than 80% of the country's population that cannot borrow from banks, thaws out frozen credits for merchant, wholesaler, manufacturer, professional man, and banker. The above advertisement proves the importance of small loan financing and speeds collections by pointing out the only means available to the majority of families for obtaining supplementary funds in emergencies. It is one of a series now appearing in newspapers with four and three-quarter million circulation. Public spirited citizens are invited to write for information about this new and important instrument of consumer credit which is providing over a half billion dollars this year to hasten business recovery. Address Dept. N2, Household Finance Corporation, Palmolive Building, Chicago.

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IT is important to investors to know that the management of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago, and the management of the public utility companies whose securities represent the major portion of their holdings, are under the same general direction.

This relationship is of great importance to the shareholders of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago. It places these two companies in the unique position of having intimate and first hand knowledge of the operating properties whose securities are held; at the same time it assures continuity of policy and management in the companies themselves.

Securities of Commonwealth Edison Company (Chicago), The Peoples Gas Light and Coke Company (Chicago), Middle West Utilities Company, Public Service Company of Northern Illinois, and Midland United Company, constitute directly or indirectly more than 90 per cent of the holdings of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago.

Stocks of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago, are listed on The Chicago Stock Exchange and traded in on the New York Curb. Booklet NB6, describing these companies, and companies whose securities they hold will be sent on request.

**Insull Utility Investments,
Inc.
Corporation Securities Co.
of Chicago**

72 West Adams St., Chicago, Ill.

entially contingent advantages as might befall."

SINCE 1925, the currency issue has again come to the fore of discussion. There is widespread talk about inadequate production of new gold. However, numerous economists believe that superior central bank management can offset the shocks to the economic system of changes in the world supply of gold.

It is to be hoped that the world will be spared the trouble of reexamining bimetalism. The acute weakness of silver has been precipitated by the all but universal tendency of governments to shift to the gold standard. The British Treasury, needing funds for post-war reconstruction, set the fashion of debasement of silver subsidiary coinage in December, 1920, reducing the silver content of the metal from a fineness of 0.925 to 0.500. This process of debasement was later imitated by continental European countries, including France and Belgium.

This fashion heightened the supply of silver available for sale, and the movement was enormously speeded up when India decided in 1926 to shift from the silver to the gold bullion standard. Since that time, the Government of Bombay has been a heavy seller of silver, and has precipitated panicky declines in the metal, which recently slumped drastically to the lowest level in its history.

FOR purposes of historical record, this period of economic readjustment is perhaps as well chronicled in the current folklore as in present-day statistics. Perhaps the prize anecdote of depression is taken from the Chinese.

A pauper and his wife were lying under a bridge, preparing for their night's rest. A wealthy man, stunned by the day's losses, was mumbling to himself as he crossed the bridge about his cur-

rent misfortune. As she heard him, the pauper wife philosophically remarked: "Ah, happy indeed are those without money worries."

This remark caused the husband to throw out his chest and ask proudly: "And to whom do you owe your good fortune?"

A domestic reaction to hard times occurred in a modern flat. A friend called, and found the husband sitting in one corner of the home and the wife in another, incommunicado. After an ominous silence, the husband volunteered:

"We're separated, and as soon as business picks up, I'm going to move out."

Moreover, in this era of overprediction, the record would be incomplete without the story of the last man to open a Tom Thumb golf course in Hollywood. As soon as he recognized that the vogue had been overdone, he hung a sign over the entrance reading "Opened by mistake."

UNFORTUNATELY, the American investment public clamored for investment trusts before the panic at a time when equity stocks proved too high for strictly investment purposes. Accordingly, the financial reports for 1930 of American investment trusts have a distinctly apologetic note.

As a matter of fact, conditions were more propitious for launching new trusts toward the middle of December, 1930, when stocks were being tossed overboard without regard to value. Over long periods, Scottish and British discretionary trusts have thrived by trying to keep themselves sufficiently liquid to be able to buy during periods of heavy public liquidation.

We have now reached a stage where it is apparent to all that managers of investment trusts have no private wires to the divinities who shape the market's ends. Accordingly, the tendency to bid up shares of discretionary trusts to



Pioneering days aren't entirely past for the banking profession, as this view of the Royal Bank of Canada's branch at Churchill amply evidences

★

★

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Check this statement in 1932



FOR those purchasers of advertising space who are scanning the business horizon today more keenly than ever before, we submit:

That there are plenty, yes hosts of good customers left for those businesses that appeal directly to the great central class of responsible men and women — people of sane mind, steady income and unshaken faith in the future.

The year 1931 is a time to take the new world as it now is, to base promotion policies on reason, to act with vigor and despatch and common sense. A year of unusual opportunity for many. But — no loafers need apply, no comets wanted, no conclusion-jumpers taken!

The recent "public relations" of *The Literary Digest* should be of special interest now to advertisers in search of a buying, growing market. Through its nation-wide polls, its regular radio-news broadcasts and its millions of mailings to telephone subscribers, *The Digest* has grouped its own public of alert and active families—proved responsive to advertising because their subscriptions were secured by advertising. Good listeners.

Almost without exception, our subscribers buy for one year only, or less.



The Literary Digest is close to the life of the times, offering immediate national publicity to the advertiser who has a message of immediate national interest. It goes to press only seven days before delivery—thus having the speed of a weekly newspaper, plus its power as the leading news magazine.

The Digest enters the best million homes with telephones, a market which buys two-thirds of all advertised commodities—and buys them first. The Digest reaches 36% of all families with incomes of \$10,000 and up. Its list of subscribers is a roster of ready buyers in the upper income brackets.

For 1931, advertisers buy a guaranteed average circulation of at least 1,400,000 preferred prospects.

The Literary Digest, be it said, enjoys the distinction of receiving the largest magazine revenue in the world from its subscription and news-stand sales. Here is a public that's buying now, a public whose living standards continue to rise, even in times of national stress.

In 1930, net paid circulation averaged 77,000 copies a week in excess of 1929 and 50,000 copies a week in excess of the 1,400,000 figure guaranteed to advertisers. And for the first three months of this year, *The Digest* will total 200,000 copies a week over that same guaranteed figure! Here is a great and growing public of constant readers.

The Digest has a higher percentage of renewals than any other magazine of large circulation. Add to that the fact that *The Digest's* reader interest and reader influence increased amazingly straight through the recent storm, and you begin to realize the advertising opportunity now open to businesses that intend to write up-curve into their records.

Go to this sound, responsible public with sound reasons for buying your product, for accepting your service. Readers of *The Digest* intend to live well this year, next year and every year. Their favor and friendship now are essential to business advance.

★ The Literary Digest ★

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"The Literary Digest is known to students of the publishing business as the sounding-board of American opinion. No other periodical in history has held a similar place. Time after time, its finger laid on the pulse of the people has been the one true index of national sentiment."

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twice or more book value was absurd. On the other hand, in the period of subsequent disillusionment, the converse tendency of general-management investment trusts to sell 30 per cent or more below liquidation value is likewise ridiculous.

Investment trusts are certainly worth their authentic break-up value, for the company always has the alternative of liquidating. As a matter of fact, an honestly and competently conducted general-management investment trust should be worth a moderate premium above liquidation value.

THE latest vogue has been for the distinctly American pattern of fixed investment trust, which restricts the freedom of the managers to become excited during panics and booms and to proceed foolishly. On the other hand, such trusts lack the flexibility which good discretionary trusts have.

The timely point is that under even the most adverse recent conditions the investment public has shown a willingness to pay a moderate premium above liquidation value for the shares of so-called fixed investment trusts.

THE first chapter of American investment trusts—the promotion stage—has been closed. A second phase is opening up, and the opportunity lies in the direction of so building up management that the trusts will be able to fulfill the promises which they impliedly make to the investor.

Thus far, promoters have shown a tendency to stuff such managerial boards with individuals identified with security selling, or with amateurs, or mere fronts. It may take time to develop a special class of experienced investment-trust managers, such as has matured on the other side.

Meantime, however, it should be borne in mind that the guardians of the investable funds of fire and casualty insurance companies have long operated successfully along similar lines. Perhaps the larger investment trusts could improve their managerial personnel by looking over the staffs of such companies.

MORE than \$4,500,000,000 has been entrusted by American investors to investment trusts of all types, which have sprung up in less than a decade.

Well-managed discretionary trusts, which are selling below their true break-up value, constitute outstanding bar-

gains, and the disparity between price and worth must be considered temporary.

AS A group, the public utilities showed far better earnings in 1930 than industrial and railroad companies. The power and light companies felt depression chiefly in the falling off of industrial power consumption, but since this business is conducted at a far narrower margin of profit than the domestic and commercial business, which actually gained in 1930, such companies were in a relatively depression-proof condition.

One statistical compilation revealed that 436 industrial companies, excluding General Motors and United States Steel Corporation, slumped in 1930 to 65 per cent of the 1929 results; 42 railroads disclosed the same proportionate decline; and 55 utilities were but one per cent below the peak 1929 level of net earnings.

ALTHOUGH the general trend in profits was downward in 1930, more than 170 corporations bucked the trend, and reported larger profits than in 1929.

These companies progressed in a red-ink year by means of supreme efforts to hasten operating economies, by redoubled advertising and sales effort, and by flexible shifting from less profitable to more profitable items.

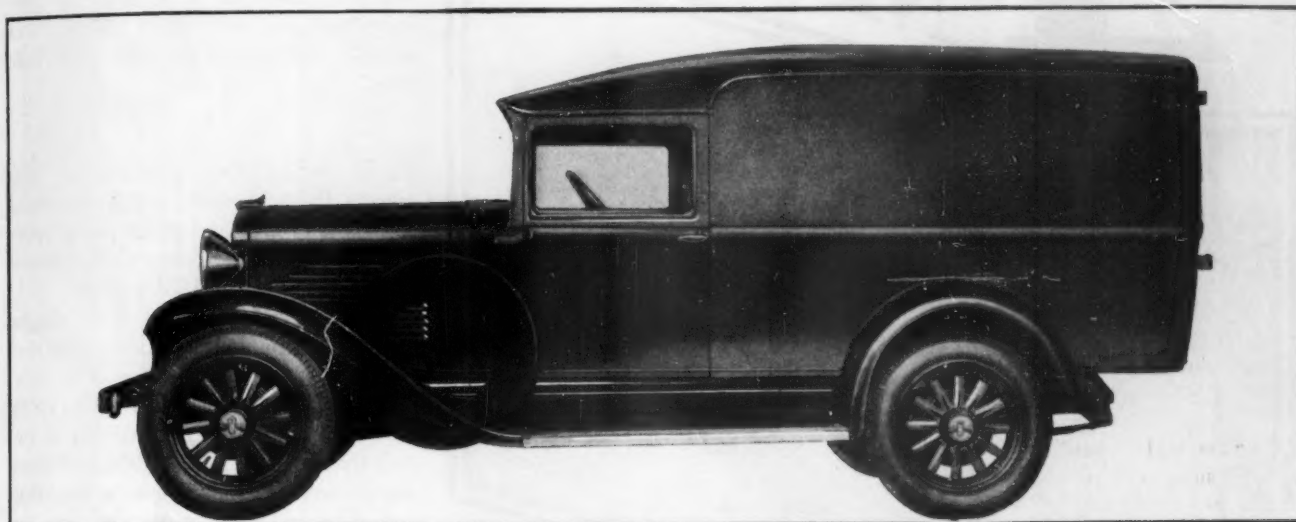
R. W. MILLER, executive vice president of the Pacific Lighting Corporation, which moved ahead last year, told me that there are signs of industrial improvement on the Pacific Coast.

"All during the year," he said, "a healthy increase in commercial and domestic business showed throughout all of our subsidiaries. A considerable falling off in industrial business was apparent, but as this type of business carries an extremely small margin of profit, the loss did not materially affect the company's earnings. The last two or three months have shown a considerable improvement in industrial sales, and business conditions in general throughout our territory seem to give evidence of improvement."

DOMESTIC consumption of power was promoted by the further extension of modern electrical machines into the home, including electric refrigeration, which as an industry moved forward last year. H. G. Perkins, one of the ex-

NEW WILLYS SIX TRUCKS

Rugged and Economical



Chassis and DeLuxe Sedan Panel Delivery, \$645. Smart appearance. Inside body measurements, 72 inches long, 46 $\frac{3}{4}$ inches wide at floor, 52 inches wide at belt.

New Willys Six Trucks are smart, distinctive and dependable . . . Powerful six-cylinder engine . . . 65 horsepower . . . Full force-feed lubrication . . . Floating type oil suction . . . Rugged frame with sturdy cross members . . . Large Duo Servo four-wheel brakes. The 1 $\frac{1}{2}$ -ton truck has four forward speed transmission and full floating rear axle. Bodies are built to custom standards, full streamline design with large loading space.

$\frac{1}{2}$ ton chassis (113" wheelbase)

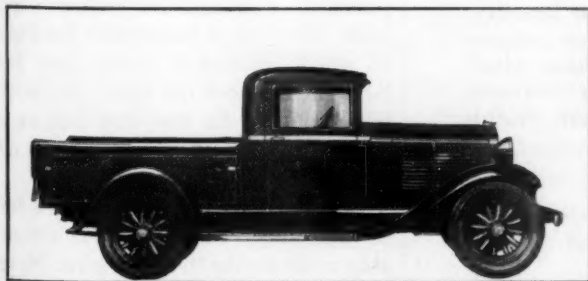
\$395

1 $\frac{1}{2}$ ton chassis (131" wheelbase)

\$595

f. o. b. Toledo, Ohio

Willys-Overland, Inc., Toledo, Ohio — Willys-Overland, Ltd., Toronto, Canada



Chassis and Cab, \$495. With Pick-Up or Open Express Body, \$522. Inside body measurements, 66 inches long, 45 inches wide, 11 $\frac{1}{2}$ inch sides.



Chassis, Cab and Stake Body, complete as shown, \$780. Inside body measurements, 108 inches long, 79 inches wide; stakes 32 inches and 42 inches high.

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for every locality...

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Now PAGE Fence comes in four different metals—

PAGE H-Beam Line Posts of hot galvanized high carbon steel offer distinct advantages, but tubular posts are furnished where preferred.

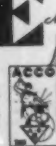
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FENCE

CHAIN LINK OR ORNAMENTAL WROUGHT IRON

When writing to PAGE FENCE ASSOCIATION please mention Nation's Business

ecutives in the Kelvinator Corporation, remarked to me:

"The increase in net earnings of the company over the previous year resulted partly from operating economies in both shop and office, and partly from a very substantial increase in volume of equipment sold for domestic installation. The total gross volume of business in dollars was practically the same as in the previous year, but the trend of business was concentrated toward the more profitable lines."

C. W. KELLOGG, president of Engineers Public Service, which increased its profits in 1930 and which has properties throughout the country, in discussing the prospects for 1931 with me, said:

"The outlook for 1931 is of course clouded by the uncertainties which surround the business situation. Our business held up fairly well during the early part of 1930 and we are inclined to expect that the first half of 1931 will show slight decreases under the corresponding period of last year in the balance for the common stock. We confidently expect the gross and net earnings to increase, however. We are also making further rate reductions in certain of our situations and this will tend to hold down the gross. Also, it is obvious that we shall have to pick up a considerable increase in fixed charges on account of our large construction program in 1931.

"I will say, however, that I confidently expect the full year 1931 to show moderate increase in both gross and net earnings and at least as much balance for the common stock as was shown in 1930, if not more. This is predicated on my belief that a slow upward swing in business activity will begin this spring and be plainly visible during the fall months."

BUSINESS prospects are helped by the fact that consumers are to some extent off the hook, so far as instalment indebtedness is concerned. Arthur Morris, president of Industrial Finance Corporation, when asked to estimate the extent to which instalment credits had been liquidated, placed the figure at about a billion dollars. He also said that instalment sales were off at least 30 per cent in 1930.

Mr. Morris added that the loss ratio on instalment collections was remarkably small during the depression. Nevertheless, he urged elimination of abuses of instalment selling by high-pressure operators.

"At the present time," the banker,

• Q U I E T - I Z E D •

The deep-carpeted office of Mr. Stephen Baker, Chairman of the Board, Bank of the Manhattan Trust Company.



Bank of the
Manhattan
Trust Company
40 Wall Street
New York



REDUCED to its essentials, modern business is made up of but one thing—decisions. Behind those decisions lies a stream of thought, of reasoning. In the degree to which your thinking is sound and orderly your business prospers, grows.

Thinking, even under the most favorable conditions, is the hardest work in the world. Handcapped by Noise—the incessant, distracting sounds that infest to-day's business office—concentrated thought becomes difficult and at times impossible. And then decisions, the very life-blood of any business, suffer.

Increasing numbers of American business leaders, realizing this, have acted to offset this serious handicap to decisive thinking—both for themselves and their valued assistants. They are fighting Noise with Quiet. One by one, they are equipping their offices

with those devices which destroy Noise.

Chief of these is carpeting, which absorbs, blotter-like, the surrounding indirect sounds—the clatter of machines, the buzz of talk, the roar of traffic outside—while it deadens all direct noise, such as heel taps and the shifting of chairs. Carpets, in fact, are the only counteractant to noise that possesses this two-fold capacity to Quietize.

Three years ago the Mohawk Carpet Mills pioneered in developing and advertising fabrics ideally suited to Quietize the business office. It recommends, among others, Chenille, patterned or plain-tone, and Broadloom, in a variety of plain-toned fabrics. Both weaves offer a fitting dignity and beauty, plus long wear and economy—and productive Quiet.

We shall be glad to refer you to a dealer who can meet your requirements.

Mohawk Carpet Mills, General Sales Offices, 295 Fifth Avenue, New York.

MOHAWK RUGS & CARPETS

When writing to MOHAWK CARPET MILLS please mention Nation's Business

**\$50,000
on number
thirteen!**



Looking into feed end of a recent Coe Dryer installation. Products travel through dryer on eight levels, feeding tippie automatically serving each deck in rotation.

EXPERIMENTING with untried drying methods is a gamble. Where new methods must be developed for new products, or old ones improved, the place for such experiments is in a laboratory, not a production plant.

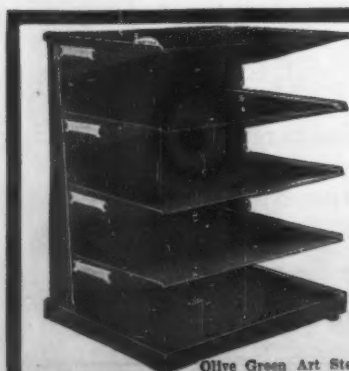
Too often success or failure cannot be determined until costly installations or alterations have been made.

With a fully equipped drying laboratory and 30 years' experience as drying specialists, COE offers a means of solving such drying problems with accurately predetermined and guaranteed results.

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the papers of your daily work. It saves time and labor, relieving you from shuffling and reshuffling papers many times every day. It provides a place for every paper, with each paper in its place. They are needed on every desk from Manager to Office Boy. **SHIPPED ON APPROVAL.**

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CURRIER MANUFACTURING COMPANY
Olive Green Art Steel 8 N. W. Terminal Bldg. Minneapolis, Minn.

who is father of the Morris Plan banks, told me, "instalment credits are created by high-pressure salesmen. The average finance company buys the paper from the retail dealer, sometimes even without the latter's endorsement, without sufficient investigation of the individual consumer's right to buy or the dependability of his credit and his income.

"The finance company has got by safely and satisfactorily during the past periods of prosperity and even during the past depression, but I cannot believe that it is permanently safe or economically sound to depend upon this method of originating or accepting instalment credits.

"The primary consideration, like all banking credit, should be a more detailed investigation of the morals and the economics of the individual purchaser. The creation of these credits should not depend upon or be influenced by the high-pressure salesman and the selling organization of the retail dealer, or even the pressure of the factory, because either or both are too much influenced by a desire to create volume rather than economic soundness and safety.

"The cost of instalment credit to the individual consumer is also too high, notwithstanding the fact that the average finance company is not making sufficient profit to make the business permanently sound and constructive.

"The reason for this is due to the fact that money employed in instalment credit is too expensive. The finance companies are dependent in lowering ratios on bank credit, the cost of which, plus the cost of maintaining supporting cash balances, makes the cost of money employed in instalment financing too high. When to this cost is added the expense of acquiring the business and of handling the collections, the final cost to the consumer is too large to permit the business to attain a high degree of economic soundness."

OWEN D. YOUNG'S suggestion for putting all commercial banks under national, instead of state, control is regarded in banking quarters as a radical innovation, which involves almost insuperable political obstacles. Many of the stronger bankers point out, however, that cessation of the competition between states and the national government in making charters attractive would help sound banking.

The obvious need is more competent bankers, and accordingly the suggestion is made in some quarters that bankers be required to take out licenses, which would be awarded for fitness.



Sculptured expressly for the American Blower Corporation by Horace Colby

WHERE WOULD THEY BE WITHOUT AIR?

DEEP down below the crust of the earth the modern miner works comfortably and cheerfully, almost oblivious of his surroundings. What a difference should the master switch be pulled and the great system of ventilation come to a sudden halt! Air . . . clean, properly tempered, vitalizing air . . . is essential in every industry. Only in a mine the need for a constant supply of air is more apparent.

For over 50 years the American Blower Corporation has been providing proper air and temperature conditions in every type of building and in hundreds of industrial processes. Not only does the American Blower Corporation specialize in the scientific design of

heating, cooling, ventilating, air conditioning, drying and mechanical draft equipment, but also in the *manufacture* of this equipment.

Whether your problem concerns a mine, factory, tunnel, skyscraper, theatre, restaurant, store or garage . . . whether your project is a mammoth or a modest one . . . American Blower Engineers invite your consultation. Their experience in similar installations may prove useful in applying yours. Call the American Blower Branch Office near you, or write direct to the factory. No obligation.

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CANADIAN SIROCCO CO., LIMITED, WINDSOR, ONT.
BRANCH OFFICES IN ALL PRINCIPAL CITIES

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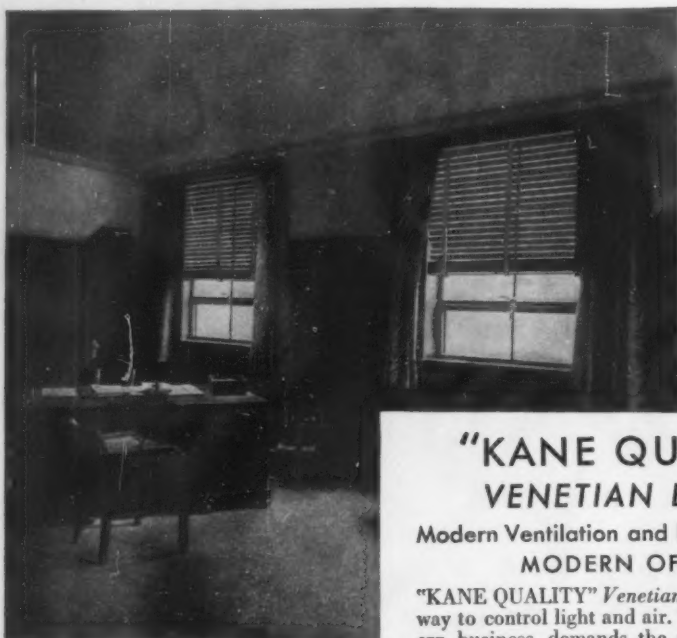
BAD AIR IS BAD BUSINESS

Whether it is too hot . . . too cold . . . dust laden . . . moisture laden . . . dry . . . foul . . . or just improperly directed—Bad Air IS Bad Business. American Blower Engineers welcome the opportunity of helping you overcome whatever air deficiencies there may be in your place of business.

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VENTILATING, HEATING, AIR CONDITIONING, DRYING, MECHANICAL DRAFT

MANUFACTURERS OF ALL TYPES OF AIR HANDLING EQUIPMENT



Interior of Hanley Office Bldg., Bradford, Pa. Thomas K. Hendryx, Architect. Equipped with "KANE QUALITY" Venetian Blinds and Rustless Insect Screens.

Write for illustrated booklet on the product in which you are interested

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MANUFACTURING CO.

Dept. N-4
KANE, PA.



"KANE QUALITY" VENETIAN BLINDS

Modern Ventilation and Light Control for
MODERN OFFICES

"KANE QUALITY" Venetian Blinds... the new way to control light and air. The tempo of modern business demands the elimination of eye-strain and direct, chilly drafts so often the cause of colds and unnecessary illness. "KANE QUALITY" Venetian Blinds diffuse glaring light into mellow, eye-easy softness. Direct drafts are a thing of the past... breezes entering the window are broken into tiny waves of refreshing air that circulate unnoticed thruout the room. Perfect ventilation and light control are yours... with the note of colorful distinction which Venetian Blinds add to every office.

"KANE QUALITY" Rustless Insect Screens, custom-made to individual measurements, have set a standard of durable quality for over forty years.

Through the Editor's Specs

(Continued from page 9)

York on my first visit since the days of high prosperity, and I am reminded of some of the things you have said in your editorials.

"Last night the streets were well filled with theater-goers. The big electric signs extolling the qualities of the shows in the 'roaring 40's' were just as resplendent as they were on my last visit. I was down in the lobby of my hotel rather early this morning but a good many other guests were there ahead of me. All seemed alert and eager to get to the duties of the day. All apparently had something to do. On my way to a restaurant for breakfast I observed many brisk-walking pedestrians. In the restaurant a great many were eating and I assume they must have had money to pay for the meals.

"My waitress was working and she was receiving money for her labor, and evidently she was eating. And a great many other waitresses were passing out breakfasts as fast as they could do so. Those who were having breakfast were in good spirits. Maybe some were here who in former days ate in more expensive New York places. And possibly some in other more expensive places on this particular morning had been breakfasting in Europe a year or two ago.

"But the point is that casual observation reveals nothing new or strange in the New York 'situation.' No doubt there are unemployed, but also millions are employed and getting money for their employment and eating and living and laughing."

AN Oskaloosa, Iowa, reader writes waggishly that we can now be assured of no special session of Congress for the reason that Congress has spent all the money.

Unfortunately that is not the way a legislative body acts. The business man must budget his expenses according to his income; government spends the money and then tells the tax gatherer to go out and get it.

DID you ever ponder the question: Why is there so much business concern about the new Congress or the adjournment of an old? Congress, representing all of us, sworn to promote the general welfare, and yet always an

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**Be on the Water
Early this Year**

**Order Your "Playmate"
Now**

When the first scent of Spring blows up from the South, why not have your trim, trig "Playmate" Cruiser all ready to sweep across the water? Now is the time to order! Among the twenty-one new models, you will find just the boat you want. With their hand-built hulls, generous beams, and with forward lines so constructed as to eliminate all pounding and hard riding, you can laugh at the roughest water. Their luxurious furnishings, unusual equipment and ample cabin space makes them a joy and comfort to the owner. You have your choice—from the smart 22-foot Sedan to the handsome 62-foot Yacht—at prices from \$1,950 to \$37,500.

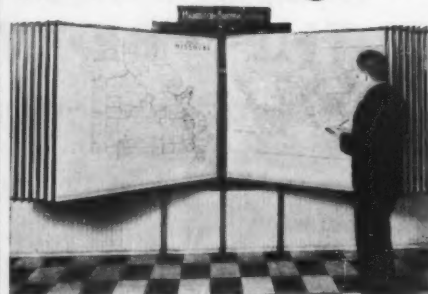
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Multiplex Display Fixture Co.

926-936 N. Tenth St.,

St. Louis, U. S. A.

P-34

Prize-Winning Buildings

...note that they are usually of Indiana Limestone from the famous quarries of Indiana Limestone Company

THE Irving Trust Company Building, at 1 Wall Street, New York City, has received the 1930 architectural award of the Broadway Association. It is called "the building most worthy of civic endorsement."

The Irving Trust is built of Indiana Limestone from the famous quarries of Indiana Limestone Company. In winning an architectural award, this building follows a well-established precedent. For a large majority of the prize-winning buildings in all parts of the country in recent years have walls of Indiana Limestone. This is explained by the fact that architects have always done their finest work in stone.

Prize-winning buildings are in large measure responsible for the tremendous popularity of Indiana Limestone for all types of commercial buildings. These finely-wrought stone buildings have proved, almost without exception, good money-makers. They attract the best class of tenants. Where land values are high, owners find there is no better way to guarantee a building's drawing power than to build it of Indiana Limestone.

Whatever your connection with a proposed building, whether direct or indirect, learn all about the use of Indiana Limestone and the service of Indiana Limestone Company. Illustrated literature showing modern buildings will be mailed on request. Please address Box 1458, Service Bureau, Indiana Limestone Company, Bedford, Indiana. (Executive Offices: Tribune Tower, Chicago.)

Irving Trust Company Building, New York City. Voorhees, Gmelin & Walker, Architects. Marc Eidlitz & Son, Inc., Builders. Gray Indiana Limestone from Dark Hollow Quarry of Indiana Limestone Company.

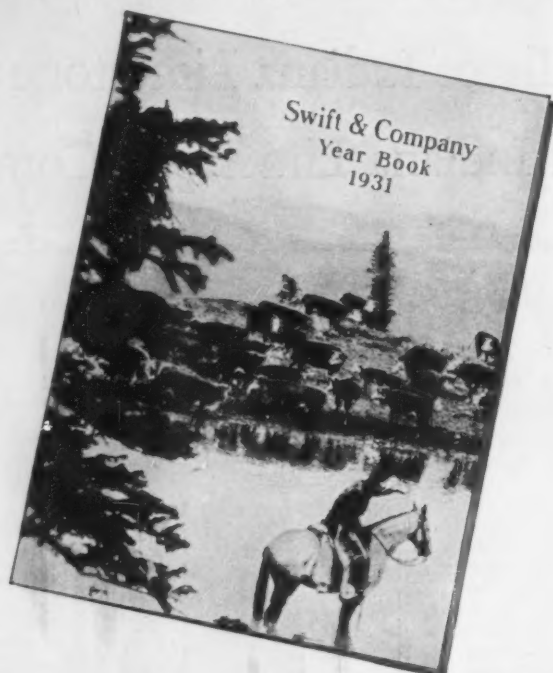


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It shows that the source of Swift & Company's profits largely lies in the elimination of wastes, and the conversion of these wastes into savings.

The reader becomes acquainted with Swift's marvelous distributive plan—with its tremendously complex system of serving producers and, through retailers, consumers in every community of the United States.

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Every business man, every investor, every citizen interested in the source of his food supply should read this book.

If you would like to have a copy of Swift & Company's 1931 Year Book, fill out this coupon and it will be sent to you free of charge.

Swift & Company

Swift & Company, 4179 Packers Avenue, Chicago, Illinois
Please mail me free a copy of Swift & Company's 1931 Year Book.

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Address _____
City _____ State _____ 645B

"Business would be good if . . . it were not for my competitors."



AND probably your competitors are saying the same thing about you. Meanwhile your private war goes merrily on, and all of you are fearful of "red ink."

The organization of a trade association in your industry might help—now is a splendid time to start it.

No law-evading schemes—just common sense application of the cooperative principle to your problems, backed by long experience and integrity.

Interviews in strict confidence—no obligation on the part of the inquirer.

Box 301, Nation's Business

anxiety bordering on dismay on the part of business when it sets to work. Is it because business fears, as a correspondent once charged, that its "nefarious" practices would be brought to light and stopped?

The expression commonly used is "a fear of radical legislation." Yet since when did business oppose change, and radical change, at that? It lives on change; changes in selling programs, in models, in financing. Why then, a fear of what changes Congress may bring?

FEAR, indeed, is a deterrent to business activity. One element of fear is the threat of new rules Congress may lay down for the conduct of your business and my business. But that needs to be amplified. New rules alone would not inspire fear. They ought to be welcomed. New rules are the order of the day in every wide-awake business—but rules based on change which is carefully planned upon a basis of every bit of pertinent fact that can be discovered. Change that assures the business man that it will bring a better state of affairs—a better product, a cheaper price, or an improved service.

In business it would be considered foolhardy to make changes without waiting for facts, changes when there is any chance that misrepresentation has distorted facts when all personal prejudices are having their innings. Or changes which involve the use of plant and equipment to experiment with the ideas of someone who knows nothing about machinery and who appeals to the prejudice of the mob or to personal ambition, rather than to facts.

Business fears legislative changes that would put at hazard the welfare of those who work in the plant and those who own it, and those who are dependent upon efficient operation, unless there is assurance that the change will bring a better substitute.

Business fears legislation which has precisely those defects, which, if they existed in a proposal for a business change, would lead the business man to call it foolhardy—not because it is something new, but because it is based upon half truths and emotionalism rather than upon facts.

BUSINESS, for example, has often been called the enemy of the farmer. That is untrue. Who desires to see his customers broke? Even if the business man were inordinately selfish, he would deplore the distress of agriculture because he realizes that the prosperity of the

AUBURN

POWERED BY LYCOMING



A manufacturer's success is a public trust. Each step in upward growth must solidify the foundation for even greater public service. Auburn has enjoyed a rapidly increasing car-owner acceptance during the past six years. It is our bonded obligation to make Auburn's success retroactive to the public, in the form of continually better merchandise at lower commensurate cost. The new Auburn Straight Eight models represent our utmost effort to deserve past confidence and to merit future growth.



The car illustrated above is the Five-Passenger 2-Door Brougham. Silent-Constant Mesh in Standard Models. Also Free Wheeling in Custom Models. Custom models: 8-98A 5-passenger, 2-door Brougham \$1145; Business Man's Coupe \$1195; Convertible Cabriolet \$1245; 4-door Full Sedan \$1195; Convertible Phaeton Sedan \$1345. All Custom Models include Free Wheeling. Standard models: 8-98 5-passenger, 2-door Brougham \$945; 4-door Full Sedan \$995; Convertible Cabriolet \$1045; Convertible Phaeton Sedan \$1145; Business Man's Coupe \$995. AUBURN AUTOMOBILE COMPANY, AUBURN, INDIANA. All prices f.o.b. Connersville, Indiana. Equipment other than standard, at extra cost.

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"Chief, this is the steam trap that time has tested—we want IT!"

"Armstrong brought out the inverted-bucket steam trap twenty years ago. I have watched Armstrong traps for more than fifteen years myself. Other designs have copied some of their features. But it is just good business for us to stick to the trap that led the field and is still the leader by a wide margin.

"A steam trap does not get much attention. It takes years to prove how it will stand up. Armstrong traps have passed the test of time. Right here in our own plant we have proved that their maintenance cost is practically nothing. We have tried a lot of other designs but now we want to standardize on one type—and naturally

that one is the Armstrong inverted-bucket."

There are hundreds of engineers in leading plants throughout the country who could and would gladly say as much to their superior officer. If your engineer has not had an opportunity to see Armstrong traps in service, ask him to take advantage of our standing offer to put as many traps as he needs in his hands for 90 days' free trial. The large number of leading manufacturers who have standardized on Armstrong traps after such experience fully justifies our confidence in making this offer.

There is also an interesting booklet waiting for any steam user who wants to know more about steam traps.



ARMSTRONG MACHINE WORKS

802 Maple Street :: Three Rivers, Mich.

District Representatives in 42 Cities

NB 4 Gray

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farmer means the prosperity of the factory. He is called an "enemy" when he views with alarm an unwise legislative proposal to correct that situation, when he knows from his own experience that it might work more harm in the long run to agriculture than benefit.

The business man who doubts the wisdom of government operation of a utility, for example, is promptly labeled a "tool of the power trust." But the business man is practical. When politics says, "Wouldn't it be grand if our electric-light bills were cut in half," he would agree. But when politics says, "Government operation will cut our electric-light bills in half," the hard-headed business man at this point would disagree, saying, "If all factors were in view—taxation, reserve for depreciation, individual incentive—if all these were taken into account, it would be seen that politics cannot produce power and light as cheaply as can private operation."

Such legislative proposals that would affect agriculture, power and light, banking, railroads, and indeed all transportation, tend to cause hesitation in development until the issue is settled. Uncertainty is always a brake on business progress. And when that uncertainty is tied up in politics it becomes a real factor in slowing down business activity.

★

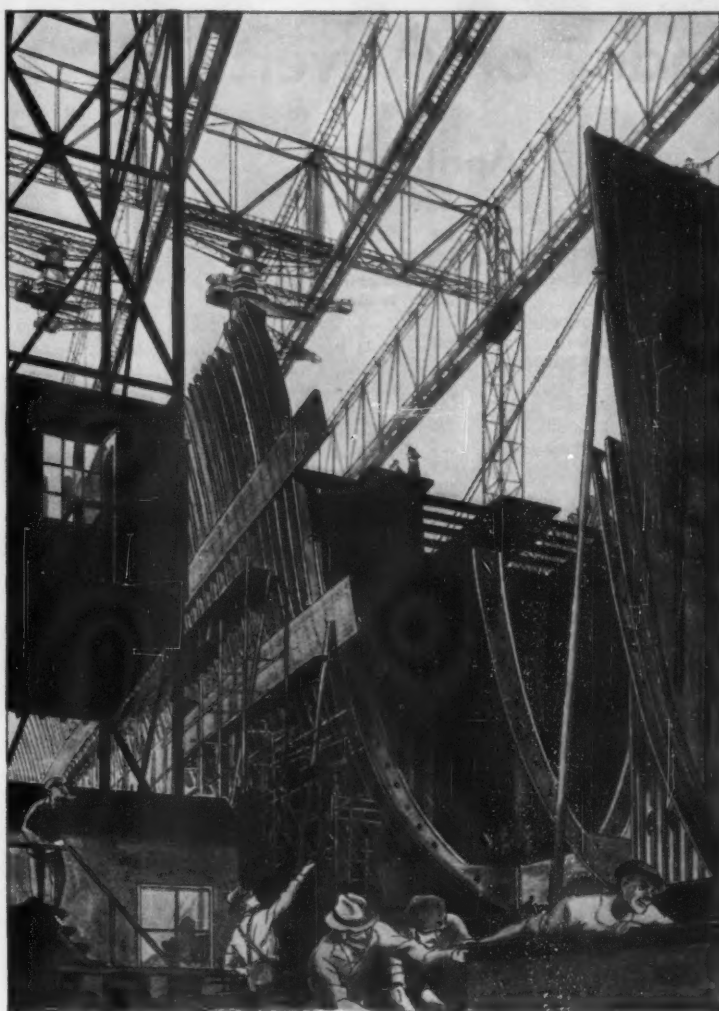
CASES of mistaken magazine identity are no novelty, of course. For ourselves, we think seriously of getting up a form letter to acknowledge correspondents who believe NATION'S BUSINESS a government publication. The name, they contend, invites the conclusion.

If we could only say "no" once and for all to these questions of government interest in the National Chamber's publishing enterprise! But we can't. People will go right on putting us under the Government's protecting wing, and we will continue to explain that we derive not a jot or tittle of support from the federal powers that be.

It all makes us a bit wistful. How pleasant it would be to Okeh the bills from the printers, the engravers, the paper men, the authors, and artists—and then slide them along to an agreeable and capacious Treasury Department. No fear of deficit, no need to worry about renewals, no concern for the sinews of advertising revenue. Life would be just one appropriation after another. But no. We must face the chill winds of competition without benefit of government. And if that be the price of editorial liberty, we are glad to pay it.

TRAVEL AND SHIP IN AMERICAN SHIPS

BUILDERS of Ships

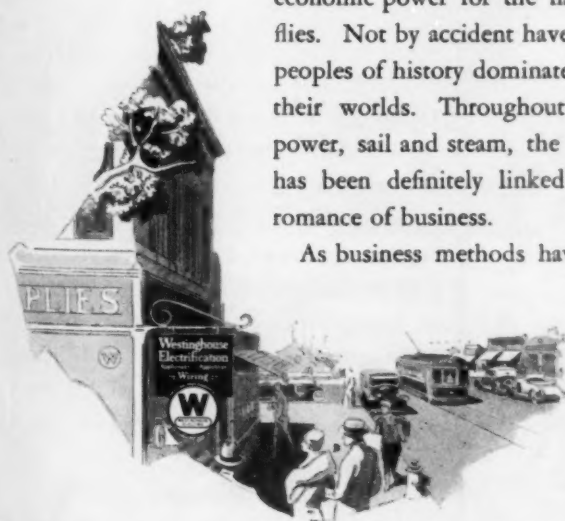


ARE BUILDERS OF TRADE

Every new ship that glides majestically down its ways into deep water is a symbol of growing economic power for the nation whose flag it flies. Not by accident have the great seafaring peoples of history dominated the commerce of their worlds. Throughout the eras of manpower, sail and steam, the romance of the sea has been definitely linked with the broader romance of business.

As business methods have progressed with

the times, so also has shipping. Today the finest marine service depends upon electricity for much of its modern efficiency. In passenger liners and freighters, tugs, river towboats, submarines and battleships, Westinghouse electrical equipment drives the propellers, mans the pumps, controls the rudder, speeds the handling of cargoes. Westinghouse contributions in this field are typical of its activities in every branch of industry.



Tune in the Westinghouse program over KDKA, KYW, WBZ and associated N. B. C. Stations, Sunday evenings

Westinghouse

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THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

Facts and Faith for Prosperity

MENTAL attitude—the state of the public mind—is a most important element in creating prosperity or depression. What we will to do we can do. I can see no reason for business men to be pessimistic. They should get and face the facts of the whole commercial situation. Then they would know how to shape their course. Once they determine the condition of their own business and its position with regard to other businesses, they can proceed to an intelligent cultivation of markets—and it is becoming more and more apparent that in the planning of any sales campaign advertising is of first importance.

In the summer of 1929 our people were jubilantly optimistic. They felt that business had eliminated its ups and downs. We were all romancing about prosperity.

Then came the crash. In 1929 the mass of the people had no regard for the facts, and because they have little knowledge of the decisive elements in the present situation they are gripped by depressive fear—fear of the future, which paralyzes initiative, constricts buying, and slows down recovery.

Many economists feel that the bottom of the depression has been reached. There are signs of recovery. Conditions should improve—and they will if we only communicate our confidence one to another.

JOHN CUDDY, *Managing Director*
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